Army Regulation 215–1

Morale, Welfare, and Recreation

Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities

Headquarters
Department of the Army
Washington, DC
15 August 2005

UNCLASSIFIED

SUMMARY of CHANGE

AR 215-1
Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities

This rapid action revision, dated 15 August 2005--

- Incorporates changes resulting from the Inspector General's findings on Armed Forces Recreation Centers (para 8-4).

- Implements Section 2494, Title 10, United States Code, which authorizes appropriated fund support of utilities used by morale, welfare, and recreation programs, with the exception of golf courses within the 50 United States, unless the golf courses are located at isolated and remote sites within the 50 United States (appendix D, para 7).

- Makes administrative changes throughout.

This rapid action revision, dated 1 December 2004--

- Eliminates the use of appropriated funds for golf courses at remote and isolated sites and at base realignment and closure sites (paras 4-4a, 4-5a, and app D, footnotes 1 and 3).

- Addresses child care for family members of military personnel attending command orientations as a separate policy (apart from volunteers) (para 4-12l).

- Adds Personnel Requirements Document (DA Form 5556) procedures to chapter 9, eliminating appendix J along with all sample forms (para 9-4 and app J).

- Increases the threshold for minor construction (chap 10, para 11-29b(13), and the glossary)

- Adds policy on authority to lend money to another centrally administered Department of the Army nonappropriated fund instrumentality (paras 11-10d and 11-21a).

- Rescinds DA Forms 5554 and DA Form 5555.

This revision, dated 28 June 2004--

- Converts the term *installation commander* to *garrison commander* and *major Army command* to *Installation Management Agency Region* as a result of creation of the Installation Management Agency and its seven regional directorates, as these terms relate to morale, welfare, and recreation programs throughout regulation.

- Corrects cited references, addresses, and office symbols throughout regulation.

- Includes a new chapter 2 on responsibilities, which is consistent with the Organization and Operations document of Transformation Installation Management (chap 2).

- Updates remote and isolated installations, because of base alignment closure and renaming of one overseas installation (table 4-1).

- Changes titles of Army Staff organization to conform to Transformation Installation Management (chap 2 and para 7-7).

- Includes approved Department of Defense policies on--

  --Special security conditions (para 4-6).

  --Support of military missions in foreign countries (para 5-17).

  --Patronage eligibility (table 6-1).

- Changes MWR nonappropriated fund instrumentalities fund titles (para 4-7).

- Changes language on supplemental mission nonappropriated fund instrumentalities and funds (para 4-9).

- Clarifies fund reimbursement to volunteers for training, funding for travel, parking fees, and food and beverage (para 4-12).

- Removes the installation representative from the routine Army recreation machine program cash collection team and inserts additional internal controls. Local command will provide command representatives for periodic cash collection observances at least once quarterly at selected locations (para 8-5).

- Deletes authorization for use of appropriated funds for travel of participants to above intramural competitions per Army General Counsel opinion (para 8-22).

- Changes language with regard to submission of applications for the World Class Athlete Program (para 8-22c(6)) and provides a new WCAP address.

- Deletes policy on U.S. Modern Pentathlon Program (para 8-21).

- Deletes the U.S. Army Marksmanship Unit, which was transferred from U.S. Army Community and Family Support Center per Department of the Army General Order 5 (para 8-21).

- Updates policy on U.S. Army Parachute Team (Golden Knights) (para 8-22).

- Adds approved reinvention waiver to policy regarding staffing of lifeguards (para 8-23).

- Updates real property program codes for lodging (para 10-4).

- Updates H-series codes (para 11-17).

- Updates sample formats (figs 11-2, 11-3, 14-2, 14-3, 14-4).

- Corrects language for consistency with other prescribing regulations or DOD policy (paras 12-3, 13-2; app D, D-10; app K, K-4; and app M, paras M-18, and M-19).

- Includes the current membership and committees of the MWR Board of Directors (app B).

- For standard nonappropriated fund instrumentality numbers, deletes specifics and refers users to a web site for access (app F).

- Revises policy on Army Flying Activities accident reports and investigations (paras M-18 and M-19).

- Includes definitions for "garrison commander," "Installation Management Agency," "Installation Managements Agency Regions," "Region Single MWR Fund," and "self-sufficiency" (glossary).

- Changes DA Forms 4975, 3542, and 4878 to eliminate the requirement to provide a social security number

- Rescinds DA Form 4763.

This revision, dated 25 October 1998--

- Implements DOD Directives 1015.1, 1015.2, and DOD Instruction 1015.10 pertaining to Military MWR Programs and other NAFIs.

- Implements DOD policy on DOD MWR Utilization, Support, and Accountability.

- Incorporates into policy many installation and MACOM approved exceptions to policy.

- Implements statutes from National Defense Authorization and Appropriations Acts.

Headquarters
Department of the Army
Washington, DC
15 August 2005

*Army Regulation 215–1

Effective 15 September 2005

Morale, Welfare, and Recreation

Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities

By Order of the Secretary of the Army:

PETER J. SCHOOMAKER
General, United States Army
Chief of Staff

Official:

SANDRA R. RILEY
Administrative Assistant to the
Secretary of the Army

History. This publication is a rapid action revision. The portions affected by this rapid action revision are listed in the summary of change.

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

Applicability. This regulation applies to all Army morale, welfare, and recreation activities; Army and applicable Department of Defense nonappropriated fund instrumentalities; and Reserve Component unit nonappropriated funds and property, unless otherwise stated herein. Penalties for violations of waste, loss, or mismanagement of nonappropriated funds apply to military and civilian personnel and include statutory and regulatory sanctions, both criminal and administrative.

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

Army management control process. This regulation contains management control provisions and identifies key management controls that must be evaluated.

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

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to Commander, U. S. Army Community and Family Support Center, ATTN: CFSC–SP, 4700 King Street, Alexandria, VA 22302–4419.

Committee establishment approval. The Department of the Army Committee Management Officer concurs in the establishment of the Morale, Welfare, and Recreation Board of Directors.

Distribution. This publication is available in electronic media only and is intended for command levels C, D, and E, for the Active Army, the Army National Guard of the United States, and the U.S. Army Reserve.

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*This regulation supersedes AR 215-1, dated 1 December 2004.

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Glossary

Chapter 1
Purpose, Principles, and Objectives

1–1. Purpose

This regulation establishes policy, prescribes procedures, and assigns responsibilities for Army Morale, Welfare, and Recreation (MWR) activities and nonappropriated fund instrumentalities (NAFIs), to include NAFIs of the Department of Defense (DOD) for which the Army has been designated executive agent.

1–2. References

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

1–3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are listed alphabetically and defined in the glossary except for those that are unique to or have a special meaning within the context of a chapter or section and are defined in the chapter or section.

1–4. Responsibilities

Responsibilities are located in chapter 2 of this regulation.

1–5. Authority

Army NAFIs, NAFIs operated by the Army for DOD activities and agencies, and MWR activities are established, maintained, and disestablished under sole authority of this regulation.

1–6. Exclusions

a. The Army and Air Force Exchange Service (AAFES) and the Army and Air Force Civilian Welfare Fund (AAFCWF) are joint Service NAFIs operated and established by authority of the respective Service Secretaries. They are exempt from the provisions of this regulation unless otherwise specified.

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

(1) Army Emergency Relief funds (AR 930–4).

(2) Prisoner of War funds.

(3) Patient trust funds.

(4) Prisoner personal deposit funds (AR 210–174).

(5) Donor deposit funds.

(6) Funds established for the benefit of civilian employees of the Corps of Engineers (COE).

(7) Contractor and subcontractor funds on DA installations, including funds established for contractor employees and concessionaire funds.

(8) Funds of labor union locals, veterans' organizations, banks, and credit unions.

(9) All funds accounted for under U.S. Treasury symbols and resources acquired with appropriated funds (APFs), such as the Trust Revolving Fund Account and Army Commissary Surcharge Fund.

(10) Funds established by private organizations authorized to operate on Army installations.

(11) U.S. Military Academy (USMA) Cadet Mess Ration Fund and personal trust funds (AR 210–3).

(12) U.S. Soldiers' and Airmen's Home personal trust funds.

(13) Funds generated by blind vendors operating under authority of the Randolph-Sheppard Act, 20 USC 107 note (AR 210–25).

(14) Chaplain's Nonappropriated Funds (AR 165–1).

15. The U.S. Army Nonappropriated Fund Employee Retirement Plan Trust.

16. The U.S. Army Nonappropriated Fund Employee 401(k) Savings Plan Trust.

17. Department of the Army Welfare Fund (AR 230–3).

1–7. Morale, Welfare, and Recreation concept

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

b. The range of MWR activities offered at Army installations is based on the needs of authorized patrons who work and reside there. Activities are managed by garrison commanders within the framework of authorized and available

APFs and nonappropriated funds (NAFs) that are locally generated by MWR activities or provided by the Installation Management Agency (IMA) Region and/or the Army Morale, Welfare, and Recreation Fund (AMWRF).

c. Each MWR activity is classified by category. Categories are determined by their effect on the military mission and their ability to generate revenue. There are three categories—Category A (mission sustaining activities); Category B (community support activities); and Category C (revenue-generating activities). MWR categories are further defined in chapter 4. Supplemental mission NAFIs are not categorized.

1–8. Morale, Welfare, and Recreation principles

a. Programs are designed to meet the needs of the installation community. This includes soldiers, units, retirees, civilian employees, and families.

b. Programs are prioritized based on their impact on readiness.

c. Programs support readiness, recruiting, and retaining highly qualified soldiers.

d. NAFs are returned to soldiers, their families, and other authorized patrons by providing needed MWR services and capital improvements.

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

1–9. Morale, Welfare, and Recreation program objectives

The MWR program—

a. Supports combat readiness and effectiveness.

b. Supports recruitment and retention of quality personnel.

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

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

e. Fosters community pride, soldier morale, and family wellness; promotes unit esprit de corps.

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

Chapter 2
Responsibilities

2–1. Secretary of the Army

The Secretary of the Army (SA) will—

a. Establish, maintain, and disestablish Army NAFIs. This authority is delegated within the Army as provided for in this regulation (chap 5) and other pertinent regulations, with the exception that authority to establish joint NAFIs is not further delegated.

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

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

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

2–2. Department of the Army (DA)

The ACSIM will—

a. Serve as the ARSTAF proponent for MWR, Army lodging, and related programs, NAF and APF management of MWR and Army lodging programs and NAFIs, and Army-wide MWR and NAFI policy.

b. Exercise ARSTAF supervision over the IMA and the U.S. Army Community and Family Support Center (USACFSC) in matters pertaining to Army MWR APFs and NAFs and NAFIs.

c. Endorse, promote, and ensure compliance of Army MWR Baseline Standards.

d. Articulate funding requirements identified by Army MWR Baseline Standards to the Secretary of the Army, DOD, and Congress.

2–3. Major Army Commands (MACOMs)

MACOMs have no residual Base Operations MWR functions with the following exceptions:

a. MACOMs deploying units must provide liaison with supporting IMA Region and USACFSC to provide mission support and funding for MWR programs that support deployment and contingency operations. A Memorandum of Agreement (MOA) is used to detail the support.

b. The U.S. Army Accessions Command has certain responsibilities as outlined in chapter 8 for the U.S. Army Parachute Team (Golden Knights).

2–4. Installation Management Agency

Director, IMA will—

a. Act as single integrator and synchronizer with regions, the ARSTAF/ACSIM, USACFSC functional proponents, and MACOMs, as needed, to resolve execution issues.

b. In coordination with USACFSC, assist in the development, integration, and reporting of Army MWR/Lodging Baseline Standards.

c. Fund all MWR/Lodging manpower authorizations, contractors, and requirements coded as MWR Utilization, Support and Accountability (MWR USA) funding practice reimbursable (in the appropriate Management Decision Evaluation Packages (MDEPs), to include Child Development Services (QCCS), Youth Services (QYDP), Soldier MWR (QDPC), and HQ overhead (QMIS)).

d. In accordance with this regulation and DOD 7000.14, volume 13, fund authorized NAF accounting costs (for NAFIs) incurred in support of MWR/Lodging operations.

e. Comply with Congressional and DOD guidance to fund valid APF requirements with APFs through maximum use of MWR USA funding practice or Uniform Funding and Management, when authorized.

f. Promote and evaluate consistency, efficiency, predictability, and best business practices of MWR/Lodging programs across IMA Regions.

g. Distribute Office of the Secretary of Defense (OSD) funding for MWR programs in coordination with USACFSC.

h. Assure that APF requirements for Lodging resourced in both Engineering and Logistics accounts support authorized Lodging requirements.

i. Provide oversight, management, and accountability for MWR/Lodging programs. Ensure adherence to applicable law and DOD/HQDA policies and regulations.

j. Receive and allocate NAF resources generated by other than direct installation operations, to include items such as Army Banking and Investment Fund interest, installation share of AAFES revenue, Army Simplified Dividend, or Army Recreation Machine Program (ARMP) revenue, in accordance with published financial management guidance.

k. Establish and manage Regional Single MWR Funds.

l. Uniformly implement MWR/Lodging programs and policies.

m. Review and approve APF budgets and provide Program Objective Memorandum (POM) submissions to ensure installations' assess requirements and to promote equitable distribution of resources.

n. Approve installation-generated NAF budgets and submit them in accordance with annual budget guidance.

o. Track and analyze program performance and budget execution relative to established MWR/Lodging baseline and Installation Status Report (ISR) III standards.

p. Conduct accreditation, certification, inspection, and assistance programs for garrisons; use inter-regional program specialists, USACFSC assets where appropriate; and regional proponent support for fire, engineers, and safety for Regional Child and Youth Evaluation Teams (RCYET). Medical Command resource management will provide two team members for RCYET for Child and Youth DOD certification.

q. Develop centralized NAF contracting support where and when feasible and provide oversight of NAF procurement offices.

r. Provide oversight and accountability of MWR/Lodging program centrally managed management information systems (MIS).

s. Execute MWR Management Control Program and risk management program in accordance with AR 11–2.

t. Coordinate, review, and approve installation NAF major construction (NAFMC) requirements and capital purchases and minor construction (CPMC) above installation approval level in accordance with chapter 10 of this regulation and AR 415–19.

u. Coordinate, review, and approve installation military construction, Army (MCA) designs and projects to ensure compliance with Army standard designs and best practice principles.

v. Support MWR requirements for deployment/mobilization and contingency operations, to include designation of emergency essential civilians (EEC), as appropriate.

w. Establish working group or executive committee for MWR/Lodging program oversight.

x. Serve as proponent for MWR/Lodging MCA requirements in coordination with the Engineers.

y. Support Army National Guard and Army Reserve for unit fund actions and will effect necessary liaison to accomplish this support (Southeast Region).

z. Coordinate funding requests for MWR programs of Army school commandants (Northeast Region).

2–5. Garrison commanders

Garrison commanders will—

a. Ensure adherence to applicable law and DOD/HQDA policies and regulations.

b. Plan, manage, fund, and operate MWR/Lodging programs and services based on Army Baseline standards.

c. Develop annual NAF budgets and manage APF MDEPs (QCCS, QYDP, QDPC, OSD funding) and NAF resources. Ensure programs and activities are managed and operated on a sound financial basis, are in compliance with Army policy, and are consistent with established financial performance, program performance, and facility standards and MWR/Lodging baseline standards.

d. Conduct annual program reviews, customer needs assessments, and annual updates to the MWR 5-year installation plans, and Strategic Business Plan.

e. Ensure personnel are properly trained in customer service and program specific competencies.

f. Coordinate with servicing Civilian Personnel Advisory Center (CPAC) to ensure that NAF employees and organizations receive timely support.

g. Perform NAF procurement as authorized by policy in AR 215–4 and other applicable policies.

h. Execute CPMC projects in accordance with approved NAF budget.

i. Employ public affairs and marketing and advertising resources to inform population about MWR/Lodging programs.

j. Identify APF requirements based on DOD/Army/MWR/Lodging baseline standards for inclusion in the installation base operations budget.

k. Plan, develop, and submit MCA requirements.

l. Prepare and update plans for operation during mobilization and contingency.

m. Plan for MWR support during mobilization, wartime, and contingency operations.

(1) Validate installation and unit MWR personnel requirements identified in the EEC program.

(2) Resource and assist units in the identification and procurement of MWR/athletic and recreation (A&R) deployment kits.

n. Enforce use of MWR centrally managed MIS (see chap 7). Implement, operate, and provide technical support for approved MWR management information systems.

o. Support all military units, provide normal garrison support for tenant organizations, and provide support for Army Reserve, National Guard, and Accessions Command. OCONUS may support other Government agencies. Implement inter-service support agreements, when required.

p. Provide authorized local administrative and logistical support to USACFSC concert series and other touring groups and shows scheduled through Armed Forces Entertainment outlined in AR 215–6.

q. Review inspection results and accidents involving MWR activities, programs, and patrons and initiate correction action as necessary to prevent personal injury and property damage.

2–6. U.S. Army Community and Family Support Center (USACFSC)

The Commander, USACFSC will—

a. Develop program guidance, standards, and procedures to implement approved Army policies.

b. Manage all aspects of the MWR BOD process including planning, in-process reviews, notifications, execution, and follow up.

c. Sit on or designate a representative to sit on the AAFES BOD and other BODs, as directed.

d. Develop plans, strategies, programs, policies, and operating guidance for the management and administration of a full range of MWR and Lodging programs (see chap 4, figure 4–1, this regulation, and AR 210–50). Create and coordinate the MWR/Lodging programs' Strategic Plans. Disseminate guidance through the IMA for synchronization, integration, and implementation.

e. Develop organization and operation agreements or MOA to define procedures and responsibilities for management, oversight, and support of MWR/Lodging programs in coordination with the IMA.

f. Support commanders of deployed units with MWR planning and/or execution of MWR in accordance with FM 12–6 (see chap 8).

g. Formulate and promulgate best business practices in coordination with IMA.

h. Serve as point of contact (POC) for Congressional and higher headquarters inquiries.

i. Develop and execute public affairs, command information, media relations, and marketing and advertising plans.

j. Administer and execute MWR Internal Review and Management Control programs in accordance with ARs 11–7 and 11–2.

k. Act as the primary action and liaison official for external audits of MWR/Lodging programs.

l. Continually review the MWR/Lodging programs to quantify and profile requirements.

m. Research, test, evaluate, and establish alternative business strategies and identify ways to improve business processes and program practices.

n. Support IMA with management and technical assistance.

o. Develop and execute Career Management strategies and programs to develop Career Field 51 employees and

provide input and recommendations for CF 34 (Librarians) and CF 27 (Housing Management). Operate the MWR Career Referral Program.

p. Operate and administer health, life, retirement, savings, and other benefit programs for NAF employees.

q. Develop and deliver training for MWR/Lodging program managers. Centrally fund training approved for inclusion in the MWR Master Training Program.

r. Administer and execute NAFMC program to include Army Lodging and category C Public-Private Ventures (PPV).

s. Develop standards and exercise oversight for the NAF procurement program (AR 215–4).

t. Execute NAF procurement in accordance with applicable laws and regulations.

u. Develop accreditation, certification, and inspection programs for MWR/Lodging programs for IMA implementation.

v. Develop program standards, benchmarks, outcome criteria, and operating guidance for management of MWR/Lodging programs for IMA implementation.

w. Operate the Armed Forces Recreation Centers and ARMP.

x. Oversee, manage, and control the Army MWR Management Information Systems (MIS) and the MWR Configuration Control Board process.

y. Manage MWR/Lodging financial management process. Provide necessary information for IMA synchronization of resources and issues.

z. Operate and administer common support NAF financial management functions such as banking, investment, and insurance.

aa. Administer the Army MWR and ARM Trust Funds. The AMWRF is the successor-in-interest to IMA Regions and other designated NAFIs.

ab. Review and approve requests for establishment of all Army NAFIs and DOD agencies requesting NAFI establishment under the Army's policies.

ac. Serve as the executive agent and Army POC for joint Service policy pertaining to the AAFES, to include recommending policy to the ACSIM for, and publication of, applicable joint Service regulations. Serve as DA POC for and represent the Army on joint Service committees and working groups, to include DOD MWR and Army Lodging committees. Serve as executive agent responsible to the OSD for the annual consolidated MWR Financial and Personnel Management Report (see sec VI, chap 11). (See fig 11–3 and DODI 1015.15 regarding formats for the MWR Personnel Management Report.)

ad. Serve as DOD executive agent for DOD Instruction (DODI) 1015.9 and Army POC for funding boy/girl scout programs overseas.

ae. Designate Army representatives to the Inter-Service Sports Committee, the U.S. Olympic Committee, the Amateur Athletic Union, and other national sports governing bodies as appropriate. Direct and control Army participation in inter-service, national, and international events and Army World Class Athlete Program (WCAP) (see chap 8).

af. Obtain copyright and royalty clearances, as required, for Army-wide, sponsored entertainment events.

ag. In coordination with the U.S. Army Soldier Support Center and U.S. Army Training and Doctrine Command (TRADOC), develop MWR doctrine, policy, and operations procedural guidance for mobilization, contingencies, and wartime. Delineate unit/individual responsibilities.

ah. Produce the U.S. Army Soldier Show.

ai. Develop specifications and standards for procurement and distribution of library materials and administer a supplemental acquisition program.

aj. Integrate Army Pest Management Program requirements into Army MWR and NAFIs in accordance with AR 200–5.

ak. With regard to NAFs, act as Army proponent for all aspects of NAF financial management to include—

(1) Publish annual NAF budget guidance.

(2) Review IMA consolidated IMA Region budgets.

(3) Provide primary oversight for NAF accounting procedures in coordination with Defense Finance and Accounting Service (DFAS).

(4) Publish and submit appropriate reports and trend analyses as required or necessary.

(5) Maintain NAF database for Management Information.

(6) Effect liaison with DFAS on accounting policy and systems.

al. With regard to APFs, in accordance with the Army Planning, Programming, Budgeting Execution System (PPBES) guidance—

(1) Orchestrate the development of Army-wide MWR/Lodging POM requirements.

(2) Coordinate with IMA to ensure baseline standards and Army priorities are addressed.

(3) Serve as functional POC for all MWR/Lodging in MDEP POM and MILCON processes.

(4) Present and defend POM requirements to Installation Program Evaluation Group (PEG) (and others as appropriate).

(5) Work directly with IMA, ACSIM Resource Integration Office, and ARSTAF to ensure MWR/Lodging issues are appropriately addressed and recorded in applicable databases.

(6) Assist the IMA with maintaining the Army MWR/Lodging programs' priority list of unfinanced requirements.

(7) Recommend to the Army Budget Office (ASA(FMC)) and IMA the allocation of resources by MDEP and IMA Region/installation.

(8) Monitor the execution of MWR MDEP resources. Take appropriate action to ensure programming, budgeting, and execution objectives are met.

(9) Publish and submit appropriate reports and trend analyses as required or necessary.

Chapter 3
NAFI Legal Status

Section I
Privileges and Immunities

3–1. Nonappropriated fund instrumentalities

a. Every NAFI is legally constituted as an "instrumentality of the United States." Funds in NAFI accounts are Government funds, and NAF property, including buildings, is Government property. However, NAFs are separate from APFs of the U.S. Treasury. They are not commingled with APFs and are managed separately, even when supporting a common program or activity. This means that—

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

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

(3) Applicable DOD directives and implementing Army regulations have the force and effect of law.

b. NAFIs—

(1) Are administered by military or civilian personnel acting in an official capacity.

(2) Are immune from Federal taxes and exempt from most direct State, local, and host country taxes, except as explained in section III, this chapter.

(3) Account for and report financial operations through command and department channels.

(4) Are subject to review by Congress.

(5) Expend resources to support MWR programs, primarily the programs from which NAF revenues were derived.

(6) Employ, discharge, and otherwise administer NAF personnel in accordance with AR 215–3 and this regulation.

(7) Engage in contractual relationships in accordance with AR 215–4 and, where applicable, the Federal Acquisition Regulation (FAR).

(8) Derive revenue from fees and charges paid by authorized patrons of MWR programs, other NAFIs, and nongovernmental sources.

(9) Are considered integral and essential to the conduct of the military mission.

c. Because NAFI personnel are paid from NAF resources, they are considered to be directly employed by the NAFI and generally are not subject to the Federal Employees Compensation Act (5 USC 8101–8193) or laws and regulations administered by the Office of Personnel Management. The Longshore and Harbor Workers' Compensation Act (33 USC 901–980) applies to NAF employees (see chap 14).

3–2. NAFI concessionaire and contractor-operated activities

NAFI concessionaire and contractor-operated activities are private businesses and not instrumentalities of the United States. NAFI privileges and immunities herein do not apply to NAFI concessionaires or contractors.

3–3. Private organizations

Private organizations (POs) are not instrumentalities of the Federal Government. PO purchases, sales, and income may be subject to taxation. There are no contractual and/or other arrangements between NAFIs and POs to avoid the imposition of State or local taxes on PO transactions or to authorize NAFI support beyond that authorized by statute, DODI 1000.15 or DOD 5500.7, subsection 3–211. Taxation of POs outside the United States is subject to the above and the provisions of host country laws governing type and operation of POs.

Section II
Fiduciary Responsibility (10 USC 2783)

3–4. Nonappropriated funds

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

3–5. Individual responsibility

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

3–6. Violations

Reporting of suspected violations at the lowest organizational level possible is encouraged. However, reports may be made to senior management, organizational inspectors general, or to the Defense Hotline. Commanders are responsible for prompt detection, proper investigation, and appropriate corrective action. Individuals reporting NAF violations are protected from reprisal.

a. Commanders will take appropriate administrative action against violators. Where evidence indicates criminal conduct, commanders will refer the matter to the appropriate criminal investigative organization.

b. Penalties for violations of waste, loss, mismanagement, or unauthorized use of NAFs apply to military and APF and NAF civilian personnel and include the full range of statutory and regulatory sanctions, both criminal and administrative, and are the same as those under provisions of Federal law that govern the misuse of appropriations. Investigative procedures for loss of NAF assets and property are outlined in this regulation; penalties for violations by NAF civilian employees are contained in AR 215–3. Military personnel are subject to the Uniform Code of Military Justice.

Section III
NAFI Tax Requirements

3–7. Federal income and employment (Federal Insurance Contribution Act) taxes

NAFIs will withhold Federal Insurance Contribution Act (FICA), 26 USC 3101–3128, and other taxes in accordance with controlling law.

3–8. NAFI employment relationship (for tax purposes)

a. Many individuals are considered to be employed by a NAFI for the purposes of Federal income and employment taxes, although they are not considered NAF employees for other purposes (AR 215–3). Both Federal and employment taxes are withheld when the NAFI has the legal right to control the method and result of the services performed (see fig 3–1).

1. Instructions. Ordinarily, a worker required to comply with another person's instructions about when, where, and how to work is an employee.

2. Training. Training the worker by requiring an experienced employee to work with the worker, or by other methods, indicates that the person(s) for whom the services are performed wants the services performed in a particular manner.

3. Integration. Integration of the worker's service into the overall operations generally shows that the worker is subject to direction and control.

4. Services rendered personally. If services must be rendered personally, presumably the person for whom the services are performed is interested in the methods used to accomplish the work as well as in the results, and the control factor is satisfied.

5. Continuing relationship. A continuing and regular relationship between the worker and the person for whom the services are performed indicates that an employment relationship exists.

6. Set hours of work. Establishment of set hours of work by the person(s) for whom the services are performed is a factor indicating necessary control.

7. Doing work on employer's premises. Work performed on the premises of the person(s) for whom the services are being performed suggests control over the worker, especially if the work can be done elsewhere.

8. Order or sequence set. If a worker must perform services in the order or sequence set by the person(s) for whom the services are performed, the worker is not free to follow the worker's own pattern of work but must follow established routines and schedules of the person(s) for whom the services are performed.

9. Oral or written reports. A requirement that the worker submit regular or written reports to the person(s) for whom the services are performed indicates a degree of control appropriate for an employee.

10. Payment of business and/or traveling expenses. If the person(s) for whom the services are performed ordinarily pays the worker's business and/or traveling expenses, the worker is ordinarily an employee.

11. Furnishing of tools and materials. The fact that the person(s) for whom the services are performed furnishes significant tools, materials, and other equipment tends to show the existence of an employment relationship.

12. Right to discharge. The right to discharge a worker indicates that the worker is an employee and the person possessing the right is an employer.

13. Right to terminate. If the worker has the right to end the relationship with the person for whom the services are performed at any time without incurring liability, an employment relationship is indicated.

14. Significant investment. If the worker invests in facilities that are used by the worker in performing services and the facilities are not typically maintained by an employee (such as the maintenance of an office rented at fair value from an unrelated party), the fact that the worker is an independent contractor is indicated.

15. Realization of profit or loss. A worker who can realize a profit or suffer a loss as a result of the worker's services (in addition to the profit or loss ordinarily realized by employees) is generally an independent contractor, but the worker who cannot realize a profit or suffer a loss is an employee.

16. Working for more than one firm at a time. If the worker performs more than de minimis services for a multiple of unrelated persons or firms at the same time that factor generally indicates that the worker is an independent contractor.

17. Making services available to the general public. The fact that a worker makes services available to the general public on a regular consistent basis indicates an independent contractor relationship.

18. Hiring, supervising, and paying assistants. If the person(s) for whom the services are performed hires, supervises, and pays assistants, control over the worker is generally shown.

19. Full time required. If the worker must devote substantially full time to the business of the person(s) for whom the services are performed and such person(s) has control over the amount of time the worker spends working, thereby restricting the worker from doing other gainful work, an employment relationship is indicated.

20. Payment by hours, week, month. Payment by the hour, week, or month generally points to an employment relationship, if this method of payment is not just a convenient way of paying a lump sum agreed upon as the cost of a job.

Figure 3–1. Common law rules

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

(2) DOD 7000.14-R, volume 13, lists common law rules that are used by local offices of the staff judge advocate

(OSJA) to characterize employment relationship to identify appropriate taxes to be withheld and paid. (See also figure 3–1.)

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

b. Reporting independent contractor payments to the IRS is in accordance with DOD 7000.14-R, volume 13.

3–9. Taxes on employee tips

a. Withheld compensation includes allowances for tips received by employees of food and beverage operations, as specified in appendix C. Addresses for requesting IRS publications and forms are found in DOD 7000.14, volume 13.

(1) NAF employees receiving tips in the amount of $20 or more in any month must report tip income to the employing NAFI using IRS Publication 1244 (Employee's Daily Record of Tips and Report of Tips to Employers) and IRS Form 4070 (Employees' Report of Tips to Employers) or a locally prescribed equivalent. Reports are filed by the 10th of the month following the month in which tips were earned.

(2) Each NAFI employing more than 10 food service employees will file IRS Form 8027 (Employer's Annual Information Return of Tip Income and Allocated Tips).

b. Federal income and employment tax records are retained by the NAFI for 4 years.

3–10. Alcoholic beverage taxes (Internal Revenue Code of 1986, Title 26 USC)

Federal wholesale or retail dealer taxes are paid annually, by 1 July: $500 is levied for wholesale operation and $250 for retail. (Details and forms needed to pay taxes are available from the Department of the Treasury, Alcohol and Tobacco Tax and Trace Bureau (TTB), P.O. Box 371962, Pittsburgh PA 15250–7962 or call the TTB at (800) 937–8864 or e-mail, ttbtaxstamp@ttb.tras.gov. A NAFI is liable for only one tax, regardless of how many sales outlets operated. Only the wholesale tax is paid when conducting both wholesale and retail operations.

3–11. Reporting prizes

NAFIs involved in awarding cash or merchandise prizes to individuals participating in contests or activities report awards in accordance with DOD 7000.14-R, volume 13 (appendix A, para A1007).

3–12. Annual reports to the IRS

Returns made on IRS Form 1099 MISC (Miscellaneous Income) and 1096 (Annual Summary and Transmittal of U.S. Information Return) for a calendar year are filed with the appropriate IRS district by each NAFI on or before 28 February of the following year. A copy of the IRS Form 1099 MISC is sent to the person receiving payment from the NAFI not later than 31 January of the year following payment from the NAFI. Addresses for requesting IRS publications and forms are found in DOD 7000.14–R, volume 13.

3–13. State, local, and host country sales and use taxes

a. NAFI operations are immune from directly imposed State, local, and most host country taxes. NAFIs may be subject to indirectly imposed taxes such as taxes on the sale of gasoline, excise taxes on automotive accessories, and other retail items when taxes are imposed on manufacturers or distributors supplying the NAFI. They are passed to a NAFI in the form of increased costs.

b. NAFI retail sales are immune from State sales and use taxes, except for the sale of tobacco products and soft drinks through vending machines.

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

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

c. The sale of State tax-free alcoholic beverages will be in accordance with chapter 7, section II.

d. On installations that have exclusive Federal legislative jurisdiction and where bingo games are authorized, the sponsoring NAFI is exempt from State or local regulations and from State or local fees or taxes and from requirements for bingo permits. On installations that have concurrent legislative jurisdiction, the State may regulate and charge for permits.

e. State taxes on gasoline or other motor fuels measured by sales, purchases, storage, or use are collected and paid under the provisions of section 104, title 4, United States Code (4 USC 104).

3–14. State and local income taxes

State and local income taxes are withheld from NAF civilian employee compensation when an agreement to such

withholding has been mutually agreed to between the Federal Government and the affected State or local government. The servicing NAFI central accounting office (CAO) will withhold taxes where such agreements exist.

3–15. U.S. Government tax exemption certificates

NAFIs use Standard Form (SF) 1094 (U.S. Government Tax Exemption Certificate) to establish and document tax-exempt status. SF 1094 is used only for transactions where the State and local tax is $10 or more.

3–16. DOD Foreign Tax Relief Program

It is OSD policy (DOD Directive (DODD) 5100.65) to secure, to the maximum extent practical, effective relief from all foreign taxes where the economic burden would, in the absence of such relief, be borne by the NAFI.

3–17. Communications with taxing authorities

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

b. NAFIs will not conduct negotiations with taxing authorities without the express authorization of The Judge Advocate General, through the installation SJA.

Chapter 4
Funding

Section I
MWR Categories

4–1. Overview

The degree to which APF support is authorized for MWR activities is based on DOD categorization, a designation based on their relationship to readiness and ability to generate revenue. MWR activities are resourced from either APFs or NAFs or a combination of both. Figure 4–1 provides a listing of MWR activities by category. The general purpose and scope of each category are as follows:

a. Category A—mission-sustaining activities. Considered essential to sustaining readiness, these activities generally enhance and promote the physical and mental well-being of soldiers. Activities in this category have little or no capacity for generating NAF income and are supported by APFs, with use of NAFs limited to—

(1) Specific expenses for which use of APFs are not authorized, or

(2) When such use is not otherwise prohibited and it has been certified in writing that APF support is not available.

b. Category B—community support activities. These activities are closely related, in terms of supporting the military mission, to those grouped in Category A. They satisfy the basic physiological and psychological needs of soldiers and their families and provide, to the extent possible, the community support systems that make military installations temporary home towns for a mobile military population. These support programs should receive substantial amounts of APF support, but differ from those in Category A, in part, because of their ability to generate NAF revenues. That ability to generate revenues is limited, however, and in no case may they be sustained without substantial APF support.

c. Category C—revenue-generating activities. These activities have less impact on readiness. They offer desirable social and recreational opportunities. Activities in this group have the capability of generating enough income to cover most of their operating expenses, but they lack the ability to sustain themselves based purely on their business activity; consequently, they receive limited APF support. Paragraph 4–4 addresses funding for Category C MWR activities located at remote and isolated sites. Paragraph 4–5 addresses funding for base closures.

4–2. Appropriated funds

The basic financial standard for all categories of MWR activities is to use APFs to fund 100 percent of costs for which authorized. Chapter 11 outlines DOD minimum standards and addresses additional Army supplemental standards issued annually in budget instructions disseminated by USACFSC (CFSC-FM). Additionally, specific authorizations for APF support to MWR are contained in appendixes D and E and elsewhere in this chapter. The following also pertains to APF support provided to MWR activities:

a. Direct APF support. Such support is generally limited to Categories A and B MWR activities. Direct APF support includes support or expenses incurred in the management, administration, and operation of MWR activities or common support functions. It includes those costs that directly relate to, or are incurred by, the operation of MWR activities.

b. Indirect APF support. All MWR activities receive and are authorized indirect APF support which is historically

provided to all installation facilities and functions. Such support mutually benefits MWR or non-MWR programs as a result of their being located on an installation. It is normally received through the use of basic installation-wide services, such as health, safety, security, and grounds and facility maintenance and repair (see app D). Indirect APF support is reportable (see chap 11).

c. Common MWR support. APF support is authorized to fund the management, administration, and operation of more than one MWR program or category, where such support is not easily or readily identifiable to a specific MWR program or to solely category C MWR activities. Examples of such support include functions such as central accounting office, civilian personnel office, (executive control and essential command supervision (ECECS), common warehousing, central procurement, central marketing, and other such consolidated functions.

d. Identifiable support. Both direct and common support are identifiable through various APF intra-agency or inter-agency personnel or manning authorization documents, common metering devices, or through engineering, accounting, financial, or statistical procedures, methods, and standards.

e. Support agreements. NAFIs and installation support elements will enter into agreements on the type of support required and resources to be expended. Appendix D and this chapter are used to determine whether services are to be APF or NAF funded. When a service is not authorized APFs, but the support element provides the service, the NAFI reimburses the Government for such service based upon the support agreement or independently contracts and pays for the service.

4–3. DOD MWR Utilization, Support, and Accountability

a. The DOD MWR USA practice is designed to more efficiently and effectively manage MWR activities. It allows the use of authorized APFs for the MWR program through the Installation MWR Fund. The DOD MWR USA practice is delegated to the IMA Regions, which may further delegate to garrison commanders on assurance of proper accountability and controls. The DOD MWR USA practice is effective 1 October 1997.

b. APFs are limited to Operations and Maintenance, Army (OMA), O&M Army Reserve (OMAR); and Research, Development, Test, and Evaluation (RDT&E) when the installation base operations support is funded by RDT&E. APFs used for this practice will be a part of the total amount budgeted for the MWR program. The DOD MWR USA practice is not available to installations testing the Congressionally-directed Uniform Resource Demonstration. The DOD MWR USA practice applies only to the MWR activities listed in figure 4–1. Authorized expenditures to be provided by installation MWR funds (IMWRF) include personnel services, supplies, furniture, fixtures, equipment, routine maintenance, and other operating expenditures (see app D for APF support by elements of expense to MWR activities).

c. Installations will establish an annual MOA, prior to the beginning of the fiscal year, outlining the amount of APF planned for MWR services, by units and/or function, to be provided by the IMWRF to meet the APF support requirements for the MWR program (see app D), with an obligation schedule. The MOA will contain a provision that requires the IMWRF to detail the purposes for which APFs are provided to the MWR program. Any changes in services require an amendment to the MOA. APFs provided to the MWR program will not exceed the NAFI's cost to provide the service. The MOA is subject to availability of APFs if the installation base operations' total support changes. The MOA is jointly signed by the senior APF resource manager and the IMWRF fund manager. The garrison commander must approve the MOA.

d. The DOD MWR USA practice will not be used to extend the availability of APFs. All APFs not obligated by the IMWRF for a bonafide current year need, before the obligational authority of the source appropriation expires, will be promptly identified to the APF resource manager. This will allow those funds to be obligated for other requirements.

e. Positions encumbered by APF employees will not be converted to NAF. If such a position becomes vacant, the MOA may be modified to include those services to be provided by the NAFI. However, if an unencumbered position is converted to NAF or contract, then it will not be converted back to an APF position.

f. USACFSC (CFSC-FM) will issue annual financial management procedures detailing accountability for APFs executed through the DOD MWR USA practice.

4–4. Remote and isolated sites

a. As an exception to APF funding policy, Category C MWR activities (excluding golf courses) at sites designated as remote or isolated may receive APF operating support on the same basis as Category B MWR activities (see app D). A listing of approved remote or isolated sites is at table 4–1.

b. Installations may submit documentation requesting remote or isolated status through their IMA Region to USACFSC, ATTN: CFSC-SP, 4700 King Street, Alexandria, Va 22302–4419. OSD approval is required. Documentation must include the installation's financial capability, performance, and degree of assistance provided by the IMA Region or USACFSC and extenuating circumstances that may seriously hinder the operation of the installation's Category C MWR activities, to include—

(1) Special security conditions.

(2) Significant currency fluctation.

(3) Extreme climatic or environmental conditions.

(4) Mission requirement to provide MWR support because of significant temporary increase or decrease in personnel assigned for training, liberty, or other temporary purposes.

(5) Short tour location.

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

(7) Significant cultural differences.

(8) APF expenses in support of category A and B activities and NAF expenses in support of category C. (This is to determine whether or not the installation is in compliance with DOD APF financial standards for categories A and B MWR activities (see chap 11).

c. Garrison commanders at locations currently designated as remote and isolated are responsible for continually reviewing the justification for remoteness. When circumstances change substantially and the criteria for their remote designation are not met, commanders are responsible for advising USACFSC (CFSC-SP) of the change and requesting deletion from the remote designation listing provided in table 4–1.

4–5. Base realignment and closure sites

a. At base alignment and closure (BRAC) designated locations, category C MWR activities (excludes golf courses) may be considered "remote and isolated." This means that category C MWR activities may be authorized the same funding as category B MWR activities (see app D) using available APFs. The timing of such authorization is determined by the garrison commander in coordination with the IMA Region, in order to provide essential needs and support a reasonable level of service to the remaining population. Conversion of a position from NAF to APF is prohibited after the closure announcement.

b. Costs affecting MWR personnel, such as civilian severance and permanent change of station (PCS), outplacement, transportation of property, are eligible for BRAC funding. Planning and design, minor construction, or operations and maintenance may also use BRAC funds.

c. Policies on the disposition of NAF personal property and proceeds from the sale of real property are addressed in chapter 12.

d. Continued operation of MWR activities to serve the remaining active duty population at installations that have closed is addressed in chapter 8.

e. More specific information on MWR BRAC-related actions is contained in an MWR Guide to Army BRAC Installations, issued separately by USACFSC (CFSC–SP).

4–6. Special security conditions

a. Additional APF support is authorized for installations to continue their category C MWR programs (excluding golf courses) during force protection conditions (FPCON) at CHARLIE and above effective 1 October 2001. Such installations may not be capable of self-sufficiency due to special security conditions, such as continued threat of terrorist attack, civil disorder, political unrest, or criminal activity, that prevent authorized personnel from using on- and off-base recreation facilities.

b. Additional APF support is only authorized when the FPCON is designated by a Combatant Commander, Military Service Chief, or DOD civilian exercising equivalent authority. Individual installations may upgrade their FPCON; however, they are not eligible for additional APF support unless the FPCON upgrade is ratified by a Combatant Commander, Military Service Chief, or DOD civilian exercising equivalent authority. Additional APF support is discontinued at the end of the same fiscal year quarter during which the designated FPCON is disestablished or downgraded.

c. The level of additional APF support provided during such periods is limited to the minimum necessary to ensure program availability. Additional APF support is limited to civilian personnel with installation management and supervisory functions of the program with the exception of personnel directly and primarily involved in resale; utilities and rents; and custodian and janitorial services. See elements of expense in appendix D, this regulation.

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

e. APF support will be reported in the annual report on APF support to military and civilian MWR programs, lodging, and other supplemental mission NAF programs, by element of expense in Schedule A to the Income and Expense Statement required by DODI 1015.15.

Section II
NAF Funding

4–7. Region MWR funds

a. Region single MWR funds. This is a separate region NAFI, which consolidates all cash generated from garrison MWR operating entities. Administration of Region single MWR funds is determined by IMA HQ and IMA Region guidance in accordance with the policies in this regulation

b. Region single Lodging funds. This is a separate region NAFI, which consolidates all cash generated from garrison Lodging operating entities. Administration of Region single Lodging funds is determined by IMA HQ and IMA Region guidance in accordance with Army Lodging Program policies.

c. Defense Agency MWR funds. These are MWR funds established for the headquarters of Defense Agencies operated under Army guidance per memorandum of agreement with USACFSC. They are excluded from the IMA Region structure. Responsibilities of subject Defense Agencies are the same as those for IMA Regional Directors. Policies in this regulation apply to subject Defense Agencies MWR funds and programs.

d. Responsibility. The region single MWR fund management is responsible for the oversight of IMWRFs including the MWR operating programs, and when necessary, Region single MWR fund management may subsidize unprofitable IMWRFs to include cross-leveling funds of MWR fund NAFIs within their respective regions.

4–8. Installation MWR funds

a. The IMWRF is an entity of the IMA Region single MWR fund. This term refers to a group of MWR programs offered at the installation and that fall within the garrison commander's responsibility.

b. Installation level NAFs are generated primarily by local sales of goods and services and user fees and charges.

c. NAFs generated by each MWR program are pooled into the IMA Region single MWR fund and allocated to MWR programs based on installation priorities and the provisions of this regulation.

4–9. Supplemental missions

a. Supplemental missions (SMs) are NAF or MWR adjuncts to APF mission programs other than those recognized as MWR programs. Funds generated are used to procure items, services, supplies, and so forth, for which APFs are not authorized. APF support is authorized, similar to that authorized for category C MWR programs. APF support to the APF mission for which these SMs are designated is not APF support to MWR.

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

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

d. Examples of SM programs accounted for within the IMA Region single MWR funds are listed below. This list is not all-inclusive.

(1) *Army Community Service (ACS) (AR 608–1).* Voluntary gifts and donations received by ACS activities from private sources.

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

e. Examples of SM NAFIs excluded from consolidation into the IMA Region single MWR fund include, but are not limited to—

(1) *Army lodging funds.* Service charges and fees generated through official travel lodging activities as well as through housekeeping services for unaccompanied personnel housing (see para 4–7).

(2) *Fisher House funds.* Fees, gifts, contributions, and other revenue in support of Fisher House facilities, extensions of medical treatment facilities.

(3) *USAREUR vehicle registration funds.* Fees charged to overseas military and civilian personnel to offset costs of providing registration and licensing of privately-owned vehicles and NAF vehicles. This service is in accordance with Status of Forces Agreements.

(4) *USMA funds (AR 210–3).* Includes fees charged for and associated with USMA extracurricular activities. (Army Athletic Association and Cadet Activities)

(5) *Fort Leavenworth U.S. Disciplinary Barracks Fund.* Income from the sale of goods and services resulting from inmate vocational training programs.

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

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

(8) *Army Historical Museum Funds (AR 870–20).* Includes the Carlisle Barracks Museum fund and Omar Bradley scholarship funds. Voluntary contributions or donations, service charges, dues, gift shop revenues, and other income.

4–10. Private property

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

4–11. MWR resale activities

Except those required to sell at cost, MWR resale operations are self-sustaining, NAF funded, and managed according to this regulation (see chap 7).

Section III
Nonappropriated Funding

4–12. Authorized use of NAFs

MWR NAFs are used only to pay for, or defray the cost of, a wide range of MWR activities, unless specifically stipulated otherwise in this regulation. Funds from supplemental NAFIs support only the requirements for which they were established. In all cases, NAFs are used judiciously and not as a matter of convenience. MWR NAFs may be expended for authorized APF MWR-related purchases under the DOD MWR USA practice (para 4–3), otherwise they will not be used when APFs are available. In addition to authority for using NAFs and prohibitions stated elsewhere in this regulation, the following apply:

a. Awards.

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

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

(b) Competition in intramural and athletic competitions.

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

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

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

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

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

(e) The total value of prizes, in cash or any other form, will not exceed $250 for individual awards and $500 for team or unit awards unless higher limits are approved at the IMA Region level.

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

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

c. Incentive awards programs. Such programs for NAF employees are outlined in AR 215–3. (Note: Incentive awards programs for APF employees are outlined in AR 672–20. APF employees and military personnel are excluded from the NAF awards programs but are eligible to participate in the NAF suggestion program.)

d. Food and beverages.

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

(a) Recognition ceremonies in honor of individuals providing voluntary services to missions that support soldiers and their family members.

(b) MWR events open to the entire military community and approved by the garrison commander. Alcoholic

beverages provided at these events are limited to malt beverages and wine. Events should be of a historical or military traditional nature. Dignitaries from the local community may be invited to the MWR event to promote good community relations.

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

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

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

(2) Per diem for meals (or receptions if considered meals) provided per subparagraphs (c), (d), and (e), above, will not be claimed on the travel voucher if in a temporary duty (TDY) status.

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

e. Civilian employee awards ceremony. Nominal ceremony expenses and refreshments for MWR civilian employee awards ceremonies are authorized with NAFs, subject to the following or similar procedures. Local procedures are written and must withstand the test of public scrutiny.

(1) Refreshments are limited to coffee, juice, and/or soft drinks, and donuts, cookies, and/or cake. Banquets, luncheons, or meals are not appropriate.

(2) Ceremonies are infrequent, such as quarterly and include a number of employees receiving awards for the previous period.

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

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

(5) Ceremonies are limited to MWR activity employees, recognizing them for improvements in customer relations, customer service, winner of sales contests, and employee of the month, quarter, or year. These ceremonies should be geared to the activity-level employee, rather than installation, IMA Region, or DA-level management ECECS employees.

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

(7) Refreshments purchased with NAFs at retirement, promotion, new hire, or similar-type ceremony are not appropriate.

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

g. Memberships. Professional, trade, or civic association membership dues and fees may be funded with NAFs. Membership must benefit the MWR program or NAFI mission and be in the name of the organization (MWR activity or NAFI), not that of any individual. AR 360-1 prescribes the use of APFs for command memberships that support MWR activities.

h. Personnel costs.

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

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

i. Unit funds. Unit funds are used for the collective benefit of all unit members for off-duty recreational purposes as outlined in this regulation. They also may be used to purchase unit histories and related materials for presentation to all unit members and new members when they join, and for distinctive insignia, when APFs are not authorized by AR 670–1, for use by all eligible unit personnel. Policy on unit fund dividends is contained in chapter 5, section IV, and SOP on submission of self-sufficiency exemption requests issued by CFSC-FM.

j. NAF limited-term leasing of recreational facilities.

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

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

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

k. Reimbursement of volunteer incidental expenses (10 USC 1588). Volunteers may be authorized reimbursement for certain incidental expenses in the course of providing voluntary services. Volunteer incidental expenses may be paid from available APFs or budgeted NAFs. The commanding official in charge of the sponsoring organization accepting

the voluntary services will determine that reimbursement is necessary to obtain the voluntary services and that the amount to be reimbursed is reasonable in amount and in relation to the value of the voluntary services provided, following coordination with the responsible resource manager. Voluntary services may be provided to programs providing services to members of the armed forces and their families, to include, but not limited, to family support, child development and youth services, library and education, religious, housing referral, employment assistance to spouses of such members, and MWR. AR 608–1 provides more detailed guidance on determining whether to reimburse the volunteers with APFs or NAFs. It also provides guidance on when volunteers are considered employees of the Federal Government and the NAFI. Chapter 7 of this regulation provides policy on persons providing gratuitous services. Funding may be provided on an equitable basis and in accordance with the following:

(1) *RC volunteers.* To satisfy volunteer reimbursement requirements, the Director, Army National Guard (ARNG), and the Chief of Army Reserves may submit SSE requests annually for the subsequent fiscal year (see chap 11). SSE requests for U.S. Army Reserve Command must be coordinated through the Southeast Region for reservists in the continental United States, and through the Pacific Region for reservists in Hawaii. Any changes to previously approved plans for reimbursement by RC will be submitted through the IMA HQ for review and approval of USACFSC (CFSC–SP). Reimbursement procedures are issued by the USARC, as approved by the Southeast Region for reservists and the National Guard Bureau for members of the Guard. Regional Support Commands and State Adjutants General will be responsible for the accountability of reimbursement expenses in their geographic area.

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

(a) Those using alternate child care or approved family child care (FCC) (see definitions in AR 608–10) may be reimbursed from petty cash funds using accounting controls described in appendix G of this regulation and DOD 7000.14, volume 13 (app A). The reimbursement amount will not exceed the appropriate child development center (CDC) hourly rate or approved range of FCC fees for equivalent care.

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

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

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

(4) *Funding for travel.* APF and NAF funding for travel is in accordance with the JFTR and Secretary of the Army Travel Policy, which is Army Directive 2003–01 (Army Directive #5). This policy can be found at www.army.mil/usapa/index.html in administrative publications. Generally, when a volunteer spouse or other qualified individual is selected to serve as a member of the delegation to an official conference concerning Army family programs or quality of life/well-being issues, the organization that is sponsoring the conference may authorize the sending command to issue Invitational Travel Orders (per diem authorized) for that volunteer's travel if certain conditions apply. Those conditions are detailed in the above-cited Secretary of the Army Travel Policy.

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

(6) *Mileage.* Use of a privately owned vehicle (POV) to perform volunteer duties is a reimbursable expense. Current Government rates (Joint Travel Regulations) will be used. Necessary parking fees incurred when attending local conferences in the course of performing voluntary services are reimbursable expenses. A receipt is required to receive reimbursement.

(7) *Newsletters.* Family support groups may use Government printing supplies and equipment and APF for postage, when approved by the unit commander, for command authorized newsletters containing official information. (Newsletter content is official when it is educational, promotes unit cohesion, and is related to unit mission, family support group programs, and family and unit readiness.) Expressly prohibited items include personal and social information and information about private organization activities, fund raisers, and business ventures. Newsletters containing primarily official information and incidental unofficial information may be published using Government printing and equipment; however, APFs are not authorized for unofficial information mailings. (Unofficial information is nonmission-related, such as promotion, birth, and retirement announcements and recipes.) NAFs or funds generated by family support groups may be used for mailing unofficial newsletters and to mail newsletters containing official information when APFs are not authorized.

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

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

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

(c) As with other payments to volunteers, prior approval of the reimbursement by the sponsoring organization officer or official in charge is required as outlined in subparagraph 4–12*k*.

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

l. Child care for family members of military personnel attending command orientations. Reimbursement of child care expenses for family members of military personnel attending command-sponsored family orientations may be funded from locally available NAFs. NAF reimbursement methods are the same as for child care for volunteers (see para k, above).

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

(1) Use of APFs for Foster Grandparent Program participants is limited to family advocacy cases involving suspected or substantiated child abuse or neglect and only when the family advocacy case management team determines that—

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

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

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

n. Commercial printing. NAFs may be used for commercial printing of material containing commercial advertisements and commercial sponsorship (see chap 7).

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

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

4–13. Prohibited use of NAFs

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

b. Authorized APF expenditures. NAFs will not be used to pay costs in acquiring items or services authorized to be paid from APFs when APFs are available (except under the DOD MWR USA, see para 4-3). However, NAFs may be used—

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

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

c. Support of private organizations (POs). NAFIs will not provide NAF financial assistance in the form of contributions, repairs, services, dividends, or other donations of money or other assets to private organizations or individuals unless authorized by other regulations, DOD policies, or statutes. For assistance to Scouting organizations, see DOD 1015.9.

d. Distributions to charities. NAFIs support only those activities and functions for which the NAFI is organized. Excess or residual assets may be redistributed by proper authority. NAFIs do not contribute to or engage in fundraising activities for charities, foundations, and similar organizations nor collect or disburse donations of a private or personal nature.

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

f. IMWRF revenue deposits. Revenues generated from the defined MWR program are deposited in IMWRFs and used only for reinvestment in the MWR program, unless otherwise authorized in this regulation.

g. Supplemental mission income or expenses. Supplemental mission accounts within the IMWRF may be established

to administer funds derived from sources other than MWR. These funds may be used only to support the specific program or function for which the account was established. Other IMWRF NAFs are not transferred to or expended from supplemental mission accounts, and supplemental mission NAFs are not expended for the MWR mission. As an example, donations designated for ACS may be deposited in the IMWRF ACS supplemental mission account. The amount deposited is used only to support the ACS mission and other IMWRF NAFs are not used to supplement the ACS account (unless authorized elsewhere in this regulation).

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

i. Non-MWR functions. NAF payment for any expense involved in a change of command or retirement ceremony, command representation, protocol function, scholarships, or any other specific benefit for select individuals or groups is not authorized. Items for retirements, funerals, or other such personal-type events will not be purchased with NAFs.

j. No proprietary interest. Neither individuals, units, organizations, or installations have proprietary interest in NAFs or NAFI assets.

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

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

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

n. Contracts.

(1) NAF contracts with military personnel or civilian Government employees are prohibited except as authorized by AR 215–4. Common law rules to determine whether an individual is an independent contractor are provided in chapter 3.

(2) NAFs and NAF contracting personnel and procedures are not used for Government purchases. NAF contracting offices cannot obligate APFs.

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

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

(1) Duplicate or augment authorized individual or unit awards financed from APFs.

(2) Augment APF construction (see chap 10).

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

r. Collateral. NAF assets are not pledged as collateral for obligations or payable to private or commercial sources.

s. Uniform items. NAFs will not be used to purchase any military uniform item (except as authorized in para 4–11), including band uniforms or other articles of individual or organizational military equipment.

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

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

Category A—Mission-Sustaining Activities

Armed Forces Professional Entertainment Program Overseas

Gymnasiums, fieldhouses, pools for aquatic training, and other physical fitness facilities/training programs

Libraries and Information Services

Movies (free admission: overseas and isolated/remote locations)

Outdoor recreation (self directed)

- Natural areas, undeveloped
- Nature centers and nature and fitness trails
- Parks, picnic area, barbecues, pavilions, game fields, playgrounds

Recreation centers

Sports (individual, intramural, unit)

Unit (or company) Level activities (support/activities that maintain mission readiness, improve unit teamwork, and create esprit de corps)

Category B—Community Support Activities

Arts and crafts

Automotive skill (includes self-help car wash)

Bowling centers (12 lanes or less)

Cable/Community TV

Child development services

Entertainment (music and drama)

Information, ticketing, and registration services

Outdoor recreation programs

- Archery ranges
- Beach facilities, including bathhouses and lifeguard stations
- Campgrounds, small (small vehicles, trailers, tents)
- Garden plots
- High adventure activity areas (such as adventure training hang gliding, rappelling facilities)
- Hunting/fishing areas and control stations
- Marinas without retail sales or private boat berthing
- Off-road vehicle areas and trails
- Outdoor recreation checkout centers— (includes tents, coolers, sleeping bags, stoves, water and snow skis, canoes, jon boats, bicycles, and other program-related equipment. Incidental items such as lantern fuel, fishing hooks, and bait, and nonprogram-related equipment such as chain saws, lawn mowers, boats and trailers

Figure 4–1. MWR Activities by funding category

designed for overnight use, and resale activities are considered category C activities and must be funded with NAFs)

Stables (Government-owned or leased horses for recreational riding)

Trails (bicycling, cross-country skiing, hiking, backpacking, etc.))

Sports above intramural level (including athletic courts, fields,courses)

Stars and Stripes

Swimming pools (with bath houses for recreational or lap swimming)

Youth services

Category C—Revenue-Generating Activities

Amusement machines

Aquatics center (multiple pools, various shapes, slides, playground equipment, picnic shelter, spray fountains, etc.)

Armed Forces Recreation Centers/ Joint Services facilities (accommodations, dining, and resale functions)

Army and Air Force Exchange Service[1]

Army Recreation Machine Program (ARMP gaming activities)

Audio/photo retail sales (overseas only)

Bingo

Bowling centers (over 12 lanes)

Civilian dining, vending, and other resale activities and services

Commercial travel

Food, beverage, and entertainment operations (includes catering)

Golf courses and companion operations

Military clubs (officers', NCO, enlisted, community) (includes catering)

Outdoor recreation

Cabin, cottage, cabana, and fixed mobile home/trailer operations

Campgrounds/travel camps, large (large recreational POV vehicles, vans, trailers)

Flying activities

Marinas/boathouses (resale, private boat berthing, chartered boats)

Motorcycle/MOPED/other motor sports activities

Rod and gun activities (skeet and trap)

Skiing slope operations

Sport parachuting activities

Stables (boarding for privately owned mounts)

Resale Operations

Skating rinks, regardless of type

Snack bars and soda fountains not operated by AAFES

Temporary housing facilities (includes cabins, cottages, guest houses, cabanas, hotels, motels)

Other revenue-generating programs, subject to resale policy (chap 7)

Notes:
[1]For AAFES policy, see AR 60–20.

Figure 4–1. MWR Activities by funding category—Continued

Table 4–1
Remote and isolated installations approved by DOD

Country	Installation
Germany	East Camp Grafenwoehr
	Hohenfels Training Area
	South Camp Vilseck
	Bad Aibling
Italy	Camp Darby
Japan	Akizuki Ammunition Depot
	Torii Station
	Sagami General Depot
	Sagamihara Housing Area
	Camp Zama
Korea	Camp Greaves
	Camp Market
	Camp Page
	Camp Colbern
	Camp Howze
	Camp Kyle
	Camp Pelham (renamed Gary Owen)
	Camp Stanton
	Camp Hialeah
	Camp Humphreys
	Camp Giant
	Camp Henry
	Camp Walker
	Camp Casey
	Camp Castle
	Camp Nimble
	Camp Hovey
	Camp Red Cloud
	Camp Essayons
	Camp Stanley
	Camp Jackson
	Camp La Guardia
	Camp Carroll
	Camp Edwards
	Camp Long
	Camp Bonifas
	Camp McNab (Chejudo)
	Camp Libby
	Pusan Storage
	Camp Eagle
	Yongin
	Camp Falling Water
	Camp Sears
	Camp Mobile
	RC #4
	K–16
Saudi Arabia	All installations
The Netherlands	598th Transportation Terminal Group
United Kingdom	Menwith Hill Station
United States	Kilauea Military Camp (KMC)
	Fort Greeley
	Fort Wainwright
	Yuma Proving Ground
	Fort Irwin
	Pohakuloa Training Area
	White Sands Missile Range
	McAlester Army Depot
	Dugway Proving Grounds
	Fort McCoy
	Pine Bluff Arsenal
	Sierra Army Depot

Chapter 5
NAFI and Unit Fund Management

Section I
NAFI Establishment, Consolidation, and Disestablishment

5–1. Establishment

a. Consideration will be given to the accessibility and capabilities of existing exchange service, on-base commercial or civilian community MWR alternatives, as well as current and planned MWR programs of adjacent military Service installations prior to requesting establishment of a new NAFI for the operation of installation MWR activities.

b. Separate MWR activities are operated only when local community MWR-type programs do not meet local installation requirements or when they are not cost effective. NAFIs must be financially viable and comply with cash management policies and meet funding standards outlined in chapter 11.

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

d. Garrison commanders and DA level organizations may submit requests for establishment of NAFIs through the appropriate IMA Region to the Commander, USACFSC (CFSC–SP), 4700 King Street, Alexandria, VA 22302–4419. Requests must contain the following information:

(1) The name of the fund and the individual directly responsible to the commander for the fund's activities; mailing address and telephone number; type of fund council (governing or non-governing); and the successor fund, discussed in chapter 11.

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

(3) A statement explaining why the proposed activities cannot be included within the IMWRF or other established NAFI.

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

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

e. The USACFSC will review each request for suitability; validate the requirement (according to applicable criteria); and approve establishment of the NAFI by assigning a standard NAFI identification number (SNN). Appendix F provides an explanation of the SNN. The SNN is used for all subsequent correspondence and reporting. After receipt of approval—

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

(2) An employer's identification number for the new NAFI is obtained from the IRS unless the CAO number is used.

f. A list of centrally administered DA NAFIs is provided in table 5–1.

Table 5–1
Listing of centrally administered DA NAFIs

NAFI: Army Morale Welfare and Recreation Fund **SNN:** BA1 **Scope:** Ultimate successor-in-interest to all Army operating NAFIs. Major financing agent to Army NAF major construction program.
NAFI: Army Medical/Life Fund **SNN:** BAA **Scope:** Repository of the assets of the U.S. Army NAF Group Insurance Plan. Collects group health, life, and dental insurance premiums from NAF employees and employers, contracts with various providers of coverage on behalf of NAF employees, pays premiums and service fees to direct providers of health and dental and life insurance benefits, and provides general administrative services to the plan.
NAFI: Army Banking and Investment Fund **SNN:** BA9 **Scope:** Provides a centralized banking and investment vehicle for NAFIs.

Table 5–1
Listing of centrally administered DA NAFIs—Continued

NAFI: Army Central Insurance Fund
SNN: BAC
Scope: Supports the NAF Risk Management Program, a centralized property and casualty insurance program for U.S. Army NAFIs.

NAFI: Hospitality Cash Management Fund
SNN: BAJ
Scope: Provides a centralized cash management vehicle for Armed Forces Recreation Centers and finances capital purchase and minor construction requirements and other investment initiatives.

NAFI: Army Recreation Machine Fund
SNN: BA8
Scope: Provides recreation machine program to authorized patrons in overseas Army locations.

NAFI: Hale Koa Hotel Armed Forces Recreation Center
SNN: BKD
Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

NAFI: Armed Forces Recreation Center-Europe (upon completion of construction will be named Edelweiss Lodge and Resort)
SNN: ZED
Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

NAFI: Dragon Hill Center and Lodge
SNN: KGD
Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

NAFI: Armed Forces Recreation Center-Orlando (Shades of Green)
SNN: IDD
Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

NAFI: Army Lodging Fund
SNN: BAF
Scope: Successor fund to all IMA Region, and installation lodging funds where there is no IMA Region lodging fund. Accounts for charges collected from occupants of official travel lodging facilities. Cross-levels installation lodging fund resources to centrally fund Army-wide transient lodging requirements.

5–2. Consolidation

a. To minimize the number of NAFIs and reduce overhead expenses, consolidation of separate NAFIs into the IMWRF is required unless there is no IMWRF or when impractical or prohibited.

b. Commanders may request authority to consolidate NAFIs at any time by forwarding the following information through the appropriate chain of command to USACFSC (CFSC-SP):

(1) The name and SNN of the NAFI to be disestablished.

(2) The name and SNN of the surviving or succeeding NAFI with the effective date of consolidation.

5–3. Revalidation

a. A needs and continuation assessment is required every 3 years in conjunction with developing the installation MWR 5-year plan (see chap 10). Only those NAFIs and supporting MWR activities that continue to support the purpose for which the NAFI was established, and those NAFIs and supporting activities that cannot be supported by other means for which a documented and continuing need still exists, will be revalidated.

b. NAFIs and supporting activities and programs may be validated simultaneously or one-third assessed annually to comply with the revalidation of NAFIs at least once every 3 years.

c. The fund manager will retain documentation in the NAFI file validating the continued requirement for the NAFI and supporting activities until the next review. Documentation will validate that—

(1) NAFIs are conducting intended activities, programs, and operations.

(2) Continuation is supported by use, or activities and operations are supported by other means, and

(3) If there is unnecessary duplication, some or all of the activities and operations will be consolidated.

5–4. Disestablishment

a. NAFIs are disestablished for any of the following reasons:

(1) Inactivation, realignment, or closure of a command.

(2) Determination that the NAFI should be consolidated with the IMWRF or another NAFI, or the purpose for which it was established has been completed and it is no longer justified.

(3) By direction of appropriate authority (depending on the NAFI's function).

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

(1) Restrict or control expenditures to preclude unnecessary spending.

(2) Notify vendors and collect outstanding accounts receivable and pay or make final settlement on accounts payable.

(3) Cancel or reduce future commitments through contract renegotiation or cancellation.

(4) Prepare and execute an employee separation or transfer plan in coordination with servicing Civilian Personnel Offices (CPOs). Ensure that employees are kept informed.

(5) Arrange for a terminal audit, disposition, or transfer of NAF property according to chapter 12, and turn in any APF property for which the fund manager is responsible.

(6) Identify and notify the successor fund of disestablishment and request any necessary instructions related to the above actions. Cash assets will transfer to the successor fund.

(7) Notify USACFSC (CFSC-SP) of disestablishment on the duty day following the effective date, through the appropriate chain of command.

5–5. Transfers of NAFIs

a. Transfers of NAFIs between Army commands or other DOD components. Normally, all associated NAFI assets are transferred intact from the losing command to the gaining command, unless otherwise mutually agreed.

b. Command inactivation. Assets at locations scheduled for inactivation or closure are transferred to the successor NAFI, or disposed of as provided in chapter 12.

c. Disputes. When disposition of NAF assets cannot be mutually agreed between the gaining and losing organizations, the commands involved will refer the matter through appropriate channels to USACFSC (CFSC-SP), for—

(1) Determination in cases involving transfers between Army commands.

(2) Representation by the Army in negotiations with organizations of other DOD components.

Section II
Fund Managers

5–6. Duties

NAFI fund managers may be responsible only for financial management or for both financial management and overall program management. Fund managers are either assigned or appointed by the commander (or delegatee). Since duties include command supervision, positions may be funded from APF. All fund managers have legal and fiduciary responsibilities which are described throughout this regulation and DOD 7000.14–R, volume 13, and must monitor MWR activities and ensure compliance with internal management controls.

5–7. Absence and permanent change of fund managers

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

(1) *Assistant fund managers.* When designated in writing by the fund manager, an assistant fund manager may be assigned on a continuing basis to perform designated tasks. An assistant fund manager may be designated as acting fund manager in the temporary absence of the fund manager for not more than 60 days.

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

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

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

b. Change of fund manager.

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

(a) The CAO prepares and furnishes to the outgoing fund manager as of the transfer date, current financial statements (to include balance sheet and operating statements), the latest bank reconciliation statement, and a current record of property and merchandise. The outgoing fund manager verifies the financial records, data, and other information furnished by the CAO; conducts a complete inventory of assets; investigates any discrepancies; adjusts records, as necessary; and completes an inventory statement.

(b) The incoming fund manager assists the outgoing manager in reconciling records, signs for all verified assets and liabilities, and assumes accountability and responsibility for the fund from the outgoing manager. This is done within

30 days following the appointment of the new fund manager and may be made conditional pending verification by a formal audit.

(2) If death or incapacity causes replacement of an incumbent fund manager, the commander follows the process in AR 735–5. A board of officers is appointed to inventory all assets and liabilities of the fund and recommend appropriate action. A new fund manager is then appointed and signs for assets and liabilities from the board of officers.

Section III
NAFI Councils

5–8. Purpose and functions

NAFI councils are required except for those NAFIs administered at DA and IMA Region levels or as otherwise excepted by this regulation. Commanders (or delegatees) appoint council members in writing and establish the council as either governing or nongoverning, based on the following:

a. Nongoverning councils.

(1) All IMWRF councils are nongoverning and function only in an advisory capacity, representing interests and concerns of authorized patrons and fund management.

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

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

5–9. Council membership

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

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

b. Chair. Governing councils are chaired by the senior ranking active duty military or full-time civilian employee (APF or NAF). Nongoverning councils are chaired by the senior active duty or full-time civilian employee or as determined by the membership, when delegated by the senior ranking member.

c. Council composition. Councils will include at least four voting members plus the fund manager, who is a nonvoting member. Suggested membership of IMWRF councils includes the garrison commander as chair, Director of Community Activities (DCA) (or equivalent), Director of Resource Management (DRM), Director of Engineering and Housing (DEH), Director of Contracting, Director of Reserve Components, the local exchange manager, selected senior commanders, the Command Sergeant Major, and a family member representative.

5–10. Meetings

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

b. Other attendees.

(1) As determined locally, any Army official or patron representative with an interest in the fund or its supported activities may attend council meetings as an observer or adviser. Such persons may include NAF purchasing, audit, inspection, financial management personnel, and others who represent authorized patron groups.

(2) When discussing actions impacting or concerning other quality of life programs, responsible individuals may be invited and may contribute.

Section IV
Unit Funds

5–11. Guidelines

a. Generally, installation unit personnel receive MWR support through participation in MWR activities at the installation to which they are assigned or attached or from the coordinating installation. Separate unit funds are not authorized for installation units; however, at IMA Region direction, those units may receive monetary NAF support through the IMWRF. Garrison commanders make the determination on NAF support. Such support will be applied equitably to all units or personnel within the installation. Installation units receiving NAF support are referred to as "unit activities" and are accounted for within the IMWRF.

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

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

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

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

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

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

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

5–12. Administration

a. Units within the continental United States (CONUS) (to include Puerto Rico and the Virgin Islands), validated by Southeast Region for payment of isolated or remote full-time support dividends, will submit their request for unit fund dividend payment, in accordance with instructions issued by Southeast Region, to their coordinating installation, as listed below. The areas (States) for which coordinating installations have responsibility follow:

(1) Fort Lewis (Washington, Oregon, Idaho, Montana)

(2) Fort Irwin (California, Nevada)

(3) Fort Huachuca (Arizona, New Mexico)

(4) Fort Carson (Colorado, Utah, Wyoming)

(5) Fort Riley (Kansas, Nebraska, South Dakota, North Dakota)

(6) Fort Sill (Oklahoma, Arkansas)

(7) Fort Hood (Texas)

(8) Fort McCoy (Wisconsin, Minnesota, Iowa, Michigan)

(9) Fort Leonard Wood (Missouri, Illinois)

(10) Fort Polk (Louisiana)

(11) Fort Knox (Kentucky, Indiana, Ohio, West Virginia)

(12) Fort Campbell (Tennessee)

(13) Fort Rucker (Alabama, Mississippi)

(14) Fort Drum (New York, Connecticut, Rhode Island, Maine, Vermont, New Hampshire, Massachussets)

(15) Fort Meade (Maryland, Pennsylvania, District of Columbia)

(16) Fort Dix (New Jersey, Delaware)

(17) Fort Lee (Virginia)

(18) Fort Bragg (North Carolina)

(19) Fort Jackson (South Carolina)

(20) Fort Stewart (Georgia, Florida, Puerto Rico, Virgin Islands)

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

c. Coordinating installations will request reimbursement from the responsible IMA Region (Southeast Region in CONUS and Puerto Rico). Responsible IMA Regions will prescribe applicable unit fund dividend policy and procedures.

d. Accounting policy and reporting procedures are prescribed in DOD 7000.14-R, volume 13.

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

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

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

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

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

j. If IMWRF or IMA Region resources are not available to support isolated or RC unit requirements, the governing IMA Region may request support from the Army Morale, Welfare, and Recreation Fund (AMWRF). Funds derived from other than Federal nonappropriated fund (NAF) sources, described above (installation, IMA Region, AMWRF), are not subject to the provisions of this regulation and are not commingled with Federal NAFs.

5–13. Reserve Components' unit funds

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

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

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

d. Annual training activities will observe the following guidelines:

(1) Units training at an installation having an IMWRF receive unit funds from that installation.

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

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

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

5–14. Active duty support elements

Army readiness groups, RC advisory groups, and ROTC instructor groups not located on an installation may be considered isolated units and request NAF support as outlined in this section. Strength reporting for dividend computation is prescribed by the responsible IMA Region.

5–15. Assets of RC units released from active status

a. Unit funds of RC units released from active duty remain in unit custody upon return to inactive duty and are accounted for as required by DOD 7000.14, volume 13.

b. Property purchased with unit funds of RC units while on active duty may be retained by the units upon return to inactive duty or disposed of as prescribed in chapter 12. Property purchased or owned by an IMWRF or other installation NAFI and loaned to RC organizations is returned to the appropriate NAFI.

5–16. Support of other Service elements

a. Joint Service and other DOD elements located on Army installations are entitled to benefits, privileges, and use of installation MWR facilities on the same basis as any Army unit. Any request by a DOD element to establish or continue a separate NAFI on an Army installation is forwarded by the host garrison commander, with appropriate recommendation, through the parent IMA Region, to USACFSC, ATTN: CFSC-SP, 4700 King Street, Alexandria, VA 22302–4419.

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

5–17. Support of military missions in foreign countries

a. Military personnel are assigned to military missions such as Defense Attaché Offices, Security Assistance Offices, and Military Liaison Teams, or are permanently assigned as Technical Assistance Field Training personnel. Responsibility for the geographical areas by military departments (MILDEP) is outlined in table 5–2.

Table 5–2
Responsibility for MWR support to military missions in foreign countries

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

b. When military personnel providing support to military missions in foreign countries are assigned to the above geographical areas, the responsible IMA Region for the geographical area will provide the requested MWR support. A geographic area of responsibility map can be found at Web site www.defenselink.mil/pubs/sof/current.pdf.

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

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

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

(1) Unit funds (NAFs) are used for off-duty leisure activities that promote unit cohesion and are based on an annual per capita allocation per permanently assigned military person. Rates are published by USACFSC in the annual self-sufficiency exemption program guidance found at www.armymwr.com. Units may request NAF support from the responsible IMA Region, with a copy furnished the Unified Command. Elements within countries shall not receive NAF from more than one MILDEP. NAFs are not used to support MWR programs that are authorized APFs.

(2) APF support is the responsibility of the IMA Region designated in table 5–2, above. APFs will be the source of funding if MWR programs are nonexistent or not available from a nearby U.S. installation or host country. Authorization for APF support is provided in appendix D. The APF requirement is based on the below standards for MWR support.

f. MWR APF support standards are as follows:

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

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

(a) The standard for paperback book kits varies by group size (table 5–3).

Table 5–3
Paperback book kits

Group size	Titles per month
Groups of 1–25	10 titles per month
Groups of 26–75	25 titles per month
Groups of 76 or more	40 titles or more per month

(b) The standard for magazine subscriptions varies by group size and titles are determined by customer surveys (table 5–4).

Table 5–4
Magazine subscriptions

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

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

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

equipment is the property of the Federal Government and appropriate methods and policies regarding accountability of Government equipment apply (see chap 12).

Chapter 6
Morale, Welfare, and Recreation Patronage

6–1. Eligibility

a. MWR patronage authority and eligibility criteria are contained in table 6–1.

b. Garrison commanders will ensure patrons are identified as authorized prior to using any MWR activity. AR 600–8–14 prescribes identification cards for active, retired, and reserve military personnel and their family members; DA civilian employees, including NAF civilian employees, both in CONUS and OCONUS, and family members only when assigned overseas; Red Cross personnel serving with the Armed Forces; Army contractor employees; foreign military and family members; and other authorized MWR patrons. Identification of Delayed Entry/Delayed Training Program recruits is by DD Form 4/1 and 4/2 or 4/3 (Enlistment or Reenlistment Agreement-Armed Forces of the United States) and a picture ID card. A locally developed identification card will be used to identify individuals or groups of individuals who are granted access to MWR facilities per table 6–1 and who are not eligible for identification cards prescribed by AR 600–8–14.

6–2. Patronage requirements

a. MWR programs are established primarily for active duty (AD) military personnel. AD personnel receive first priority for participation or use if space is limited. Ready and Selected Reserve members have the same priority as AD military personnel with regard to category C MWR activites only. Gray area retirees (retired reservists under age 60) have the same priority as regular Army retirees for use of category C MWR activities only. Neither the Ready, Selected, or Retired Reserve without pay have first priority for categories A and B MWR activities (10 USC 1065)(see definitions in the glossary for Ready, Selected, and Retired Military Personnel). Eligible family members may participate in MWR activities whether or not accompanied by the sponsor. Family members and guests of first priority patrons assume the same priority. All others have equal access after first priority patrons, on a first come basis, unless determined otherwise by the local commander.

b. Guests must be accompanied by authorized patrons and may participate in MWR activities, purchase items incidental to participation, and consume food and beverages while on the premises. Otherwise, guests are not authorized resale purchases. Commanders (or delegatees) will approve local rules governing the number of guests and the frequency of use at specific facilities.

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

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

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

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

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

(4) Stealing merchandise or other assets.

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

e. Investigative procedures into NAFI losses or misuse of the MWR privilege are described in this regulation and are used to determine revocation of MWR privileges. The length of revocation or total denial of MWR privileges are local decisions. AR 15–6 is used for more serious and formal investigations, as explained in chapter 13.

f. Military club membership and reciprocal patronage of military clubs are outlined in chapter 8.

g. Patronage of package beverage stores is per AR 60–20/AFR 147–14.

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

(1) Persons hunting and fishing on Army property where authorized under terms of Cooperative Plan Agreements for Conservation and Development of Fish and Wildlife Resources and those using other outdoor recreation facilities and activities under terms of established cooperative agreements.

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

(3) Local and State Government use of category A and B MWR activities with excess capacity under established Memorandums of Understanding (MOUs) or partnership agreements only where use is mutually beneficial to both the installation and the local community, use is otherwise in compliance with applicable law and regulations, and there is no increased costs to the Army as a result of such use unless the agency/institution of the local and State Government subsidizes the additional costs.

i. Non-DOD organizations are authorized to use MWR facilities per DOD 5500.7-R, DODI 1000.15, and AR 600-29. This includes private organizations authorized to operate on an installation. Routine MWR patronage (programs, facilities, or services) by private organization members or potential members is not permitted unless they qualify as authorized patrons.

j. Conflicts between this chapter and any agreement between the United States and a foreign government are resolved in favor of the agreement.

Table 6–1
MWR patronage authorizations

Category	Unlimited	Cat C
Active duty (AD) military personnel and families. Includes reservists called to AD and AD Coast Guard	X	
Members of the RC and families (includes Selected and Ready Reserve; National Guard, Delayed Entry/ Delayed Training recruits; reservists on annual training) (see para 6–1)	X	
National Guard members and their families when the member, although not in Federal service, is called or ordered to duty in response to a Federally declared disaster during the period of such duty.	X	
Cadets of Armed Services Academies (USMA cadets have lst priority at USMA); U.S. Merchant Marine Academy; and foreign civilians attending Service Academies	X	
Commissioned Corps of the Public Health Service and Commissioned Corps of National Oceanic and Atmospheric Administration and families	X	
Retired military (AD and RC) personnel and families (with or without pay)	X	
Veterans with 100% service-connected disability, honorably discharged [4]	X	
Service members who are involuntarily separated from active duty and those separated under Transition Assistance Management Program, Special Separation Benefit Program, and Voluntary Separation Incentive Program for two years beginning on the date of separation. Period of separation is between 1 October 1990 and 31 December 2001.	X	
Medal of Honor recipients [4]	X	
Un-remarried surviving spouses (and families) of military personnel who died while on AD or in retired status [4]	X	
Un-remarried former spouses (and other family members) who were married to the military member for at least 20 years while the military member was on AD	X	
Orphans of military members, when not adopted by new parents, under 21 years of age (or over if not capable of supporting themselves, or 23 years of age if they are in full-time study)	X	
U.S. DOD APF/NAF employees (includes AAFES and Coast Guard civilians) and families stationed outside the U.S.	X	
U.S. DOD APF/NAF civilian employees (includes AAFES and Coast Guard civilians) and retired civilian employees and families in the U.S.	X[1]	
Local national or host country DOD civilian employees and families at the discretion of the overseas commander, provided space is available and subject to host country agreements	X[1]	
U.S. Federal employees when assigned in areas outside the U.S.	X	
Non-DOD Federal employees working on the installation	X[1]	
Department of Interior civilian employees at Kilauea Military Camp (KMC) may use KMC MWR facilities, only	X	
Medical personnel under contract to the Army during periods they are residing on the installation	X	
Military personnel of foreign nations and their families when on orders from the U.S. Armed Forces, or in overseas areas when the overseas commander grants privileges in the best interest of the U.S.	X	
Paid members of the American Red Cross, United Service Organization, and other POs as authorized by DOD issuances, when assigned to U.S. Armed Forces outside the U.S.	X	
U.S. employees of firms under contract to DOD working on the installation, assigned outside the U.S.	X	

Table 6–1
MWR patronage authorizations—Continued

Category	Unlimited	Cat C
Individuals who have distinguished themselves in direct association with or in support of the Army (may include foreign nationals overseas) [4]	X[1]	
ROTC cadets when participating in field training	X[1]	
Former POWs and spouses of POWs and service members missing in action and their family members[4]	X[1]	
DOD contractor employees or technical representatives whose preponderance of work is for the installation; employees of military banking facilities and credit unions working full time on the installation concerned	X[1]	
Foster children of military personnel, exchange students residing with families of military personnel who are their sponsors, and "au pairs" residing with families of military personnel	X[2]	
Leaders in the local community designated by the garrison commander and re-certified annually	X[1]	
Members of the general public at MWR infrequent/open events, at garrison commander's discretion	X[1/3]	
Members of the general public on a continual basis subject to criteria below. Does not apply to MWR bingo programs. Approval required from ASA(M&RA). Documentation is submitted to USACFSC (ATTN: CFSC-SP), 4700 King Street, Alexandria, VA 22302–4419.		X[1/3]

Notes:

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

[2] Does not include childcare facilities or military exchanges.

[3] Subject to criteria—-a. Adequacy of facilities and underutilized. b. Written agreements from local Government officials, other appropriate community leaders indicating they have no objections to expanded use of military MWR programs, and there is no opposition from the local business or local Government community. c. Beneficial to military members/civilians in the community. d. No conflict exists as determined by the local SJA with Federal, State, local laws, or international agreements.

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

Chapter 7
Administration

Section I
Sales, User Fees, and Credit

7–1. Authority and applicability

a. NAFIs may engage in resale activities if conducted in accordance with this regulation and within the boundaries of military installations. Determination to engage in resale/credit activity at leased commercial buildings or in other areas outside of military installations (for example, Armed Forces Recreation Centers (AFRCs) will be in response to—

(1) The relative need for the goods and services to be provided by the MWR activity,

(2) The sensitivity of exemption from State and local taxes,

(3) Competition with the private sector,

(4) Justification for DA-sponsored MWR programs and activities at such sites/facilities.

b. Not considered resale are user fees, interest, and other sources of income not directly related to the sale or resale of merchandise and services, such as dues and assessments. Also not considered resale are special events, such as Monte Carlo nights and carnivals, and provision of services to other NAFIs on a pro rata cost basis by common service activities.

c. Resale on Army installations is conducted by MWR activities, with the exception of—

(1) AAFES sales and services.

(2) Commissaries operated by the Defense Commissary Agency.

(3) Sales by private vendors authorized to solicit on post in accordance with AR 210–7.

(4) Vending machines, snack bar, and cafeteria service operated by blind vendors in conjunction with State licensing agencies in the United States, under the provisions of the Vending Facility Program for the Blind on Federal Property, AR 210–25.

7–2. MWR resale authority

a. Division of responsibility.

(1) AAFES is the primary retailer of merchandise and services to authorized patrons of the military community.

AAFES package beverage stores are the primary resale source of packaged alcoholic beverages, except malt beverages and wine coolers.

(2) IMWRFs are the primary provider of prepared foods, beverages, and entertainment in membership clubs, nonmembership food, beverage, and entertainment activities, and snack bars incidental to MWR operations.

(3) Sales of goods and services by civilian NAFIs to DOD civilian employees is in accordance with AR 215–7.

b. Resale by AAFES. Applicable policies are provided in AR 60–10 and AR 60–20. Key provisions are—

(1) Goods and services which the Congress has approved for AAFES sales are listed in AR 60–20, appendices B and C.

(2) Garrison commanders may request AAFES to operate and manage any installation sales activity.

(3) Garrison commanders may enter into MOAs or MOUs with AAFES to manage designated sales operations for a management fee. Agreements include provisions for audit trails that account for receipts and disbursements and submission of monthly income and expense statements. Such agreements may include those entered into by USACFSC on behalf of the Army. Operations that may be managed by the AAFES, with local command agreements, include but are not limited to—

(a) Amusement machines.

(b) Service and vending machines in military clubs, civilian employee NAF activities, bowling centers, and similar activities.

(c) Commodity concession contracts and short-term sales agreements for overseas military clubs, AFRCs, and other lodging facilities.

(d) Any other resale function connected with MWR functions which appropriately may be performed under an MOA/MOU with AAFES.

c. Resale of NAFIs other than AAFES.

(1) NAFI sales of merchandise and services is normally part of and directly related to the purpose of the activity conducting sales and necessary to the conduct of the program supported by the NAFI. Examples include resale of golf apparel and equipment at a MWR golf course and souvenirs related to displays at a museum. Resale of snack food, non-alcoholic beverages, and alcoholic beverages in accordance with this chapter is authorized.

(a) Resale merchandise and service is further limited to items listed in AR 60–20, appendices B and C.

(b) Overseas resale activities are conducted in accordance with applicable international agreements.

(2) Before MWR operation of a resale activity for which AAFES is the primary provider, the garrison commander and the regional director of the servicing exchange must jointly determine in writing that the requirement cannot be met in a responsive manner by the AAFES. Determinations are based on all of the following:

(a) Compatibility of operating hours with the exchange and the proposed resale activity. There is no direct or intentioned competition for business.

(b) Distance to the activity from the exchange and ability of the exchange to provide delivery service.

(c) Ability of the exchange to provide the types of goods and services needed by the activity. This includes quality, price, and range of goods and services.

(3) Garrison commanders will monitor NAFI resale to ensure that items and services sold are necessary, authorized, and related to the established purpose of the activity and its supporting NAFI.

(4) Disputes are handled as follows:

(a) Differences that cannot be resolved between the garrison commander and the regional director of the servicing exchange are referred to the appropriate IMA Director for final determination.

(b) If a servicing exchange declines to provide services requested, the garrison commander may appeal the decision through the IMA Region to the AAFES regional director and, if necessary, to the AAFES commander.

(5) Sale of foreign-made merchandise and foreign-produced services is subject to policy in this chapter.

(6) Installation operated amusement and change machines in MWR activities may be maintained directly by separate MWR activities, by the IMWRF, or by NAF contract, as determined by the garrison commander.

(7) Service and vending machines may be maintained under concessionaire agreements or directly by military clubs, bowling centers, civilian welfare activities, off-post Army Reserve Training Centers, and State licensing agencies for the blind (AR 210–25). Otherwise, service and vending machines are operated by the AAFES.

(8) Installations may contract for MWR food services only with IMA Region and USACFSC approval. The provisions and applicability of AR 210–25, are reviewed before entering into or renewing contracts for, or direct operation of any vending machine and snack, cafeteria, or other food operation.

(9) Food service sales conducted by a NAFI can be for immediate consumption on premises, take-out, or catering. Military clubs may sell carryout items. Free-standing food outlets at locations other than military club facilities are operated by MWR activities only if the AAFES declines to provide the service.

(10) MWR consignment sales or auctions are authorized on the installation. MWR consignment sales or auctions should work with PO thrift shops to eliminate duplicate operations. If MWR consignment sales or auctions are opened to the public, policies in chapter 6 (table 6–1) apply to avoid MWR competition with any consignment shops in the

local community. When MWR consignment sales or auctions are conducted, controls will be established to safeguard against NAF liability for the merchandise consigned.

(11) The minimum age for the purchase of tobacco products in overseas retail outlets is 18 years.

(12) Any resale operation, which incurs labor and other operating costs, must be supported with NAFs unless specifically authorized APFs or the law requires sales at cost. This applies in CONUS, OCONUS, and at remote and BRAC locations. NAF revenue will not be generated when APFs pay the cost of labor and operating expenses. This does not preclude the use of an APF employee from both renting and checking out outdoor equipment in a category B outdoor recreation facility when the rental of equipment is very limited; or the registration clerk from selling limited snacks, soft drinks, or juice at a category A MWR fitness center. The same situation may occur at a marina or equestrian riding facility, where there are both category B and C activities operating within a single facility and the category C part of the operation is not significant. Paragraph 7–5 and appendix D apply.

7–3. Sale of U.S.-made merchandise overseas (DODD 7060.3)

a. NAF resale activities and concessions overseas will, within the limits of sound business practice, stock merchandise of U.S. origin in preference to equivalent merchandise from foreign sources.

b. The following steps will be taken to maximize the sale of U.S.-made merchandise by NAF resale activities:

(1) Prominently display U.S.-made merchandise.

(2) Label and segregate foreign-made merchandise.

(3) Avoid foreign-made, inferior imitations and substitutes for U.S.-made merchandise.

(4) Respond promptly to consumer preference for merchandise of U.S. origin through established NAF procurement channels.

(5) Cooperate with U.S. suppliers in meeting foreign competition when customer demand is shifting to foreign products.

7–4. Purchase of foreign goods overseas

a. The following foreign goods may be stocked and resold by NAFIs without restrictions:

(1) Perishable subsistence items, beverages, and similar items purchased for consumption on the premises of activities engaged in serving foods and beverages. However, sales are reviewed continuously with priority consideration towards changing to U.S. sources if feasible and financially advantageous.

(2) Soft drinks, items of supply, and materials for use in hobby and crafts shops.

(3) Printed matter such as maps, postcards, magazines, newspapers, travel books, and greeting cards.

(4) Purchases made or required pursuant to treaty or executive agreement.

(5) Heating and cooking fuels not available from APF stocks.

b. The following may be stocked and resold by NAFIs subject to the following conditions:

(1) Foreign goods with price based upon a markup percentage that is no less than that applied to similar categories of U.S. merchandise. Other provisions notwithstanding, the resale price of an item need not exceed the local price.

(2) Foreign goods available on the local market and foreign-made goods purchased with excess foreign currencies.

(3) In geographically remote overseas areas where Army and other DOD personnel work and where a local market does not exist, overseas IMA Regions may authorize sales and stockage of foreign goods to the extent dictated by MWR considerations.

(4) Transshipment of foreign goods between NAFIs in different market areas is authorized where the resale price of the transshipped items, including markup and transshipment transportation costs, results in significant savings to patrons when compared to the purchase of such items from local importers at the resale area. Only NAFs will be used to fund this merchandise transshipment.

c. Preference is given to U.S. contractors, materials, equipment, and flag carriers for NAF construction in foreign areas. Project approval levels are prescribed in chapter 10 and cited regulations.

d. For NAFIs in specific foreign locations, the following applies:

(1) *Governing councils* x Locally produced or manufactured goods are purchased and sold on the same basis as U.S.-made goods.

(2) *Greenland.* Goods produced or manufactured in Denmark are purchased and sold on the same basis as U.S.-made goods.

7–5. IMWRF prices, user fees, and other charges

a. Prices, user fees, and charges are structured to meet cash management goals for sustainment of a NAFI and its operations, to cover capital requirements and overhead expenses, and to satisfy budget requirements for support of other MWR activities dependent upon the NAFI.

b. Alternative pricing strategies to attain necessary income levels, based on MWR five-year plans and financial trends, are developed, used, and adjusted as needed.

c. User fees or charges will not be levied for general use of category A MWR activities and associated services such

as towel and locker rental. This does not prohibit charging patrons for activities, classes, and services which are more specialized, and beyond the scope of general use.

d. When patrons are charged a fee in a category C MWR activity, including annual dues established for military clubs, prices will ordinarily be established within 25 percent of the average prevailing off-base cost for similar goods or services. Fees charged in category B MWR activities will cover only NAF expenses incurred (such as labor, supplies, material). Annual surveys of off-post commercial, municipal, and/or private enterprises will ensure costs are within the 25 percent rate. IMA Regions are responsible for establishing prices, user fees, and charges overseas.

e. Nonmembers of a military club may be charged more than a member.

f. Child care fees are in accordance with AR 608–10. Youth Services School Age Services program fees may be structured similarly or graduated based on other considerations, unless stipulated otherwise by the USACFSC.

g. Special prices and privileges are not given to functions designated as "command sponsored." No person or group of people will receive special prices or privileges that are not available to all patrons, except that the following discounts may be offered if they are offered consistently and are equitable:

(1) Lower prices for junior enlisted personnel.

(2) Promotional discounts when tailored to various major target groups, such as single soldiers, retirees, family nights, and birthdays, provided other groups are also provided the same opportunity when requested.

(3) Group rates, if all parties of the same size are given the same rate.

h. Fees for Federal property use (31 USC 3302).

(1) Fees or payments for licenses, rents, or privileges involving the use and conversion of government-owned or leased buildings, lands, and their crops, natural resources, and wildlife do not accrue to the NAFI. Activity fees, however, may be established to defray NAF costs, if any are incurred.

(2) Money collected from the sale of special State permits to hunt and fish on military installations does not accrue to the NAFI, but is administered as prescribed in AR 200–3. Activity fees may be established to defray NAF costs for conducting recreational hunting or fishing activities.

(3) Proceeds from the sale of property acquired with APFs or for services provided exclusively through the use of APFs will not accrue to the NAFI; they are paid to the U.S. Treasury as miscellaneous receipts unless otherwise provided by law. However, fees may be charged to cover NAF costs which are expended in the use of APF property or the provision of APF services. Fees may be charged and retained by the IMWRF when providing an authorized MWR product or service, supported with NAFs. Commanders at all levels have fiduciary responsibiliy for APFs and NAFs and are responsible for ensuring that fees are charged properly.

7–6. Credit cards

a. Acceptance of commercial credit cards is the preferred method of extending credit to MWR patrons if shown to be the most cost-effective means of providing credit. Contracts may be awarded to commercial card issuers in accordance with AR 215–4. Credit services for more than one activity may be included in the same contract.

(1) Commercial bank credit card services may supplement or replace in-house charge systems.

(2) The supported NAFI will not perform credit control or collection functions on overdue accounts contracted to commercial credit card firms.

b. Establishment of in-house NAF credit systems to extend credit to patrons, in lieu of commercial credit cards, requires prior approval of the local commander.

c. The IMWRF (or other NAFI) may acquire commercial credit cards for use by their activities. These commercial credit cards may be used to pay for commercial services arranged by the NAFI, and tickets, for example, to theme and amusement parks, for which the activity has received payment from the patron.

Section II
Alcoholic Beverages

7–7. Age restrictions

a. In the United States, no person under 21 years of age will be employed to dispense, handle, or serve alcoholic beverages unless permitted by the laws of the State in which the installation is located. In such cases, the State minimum age laws may be followed (section 2683, title 10, United States Code (10 USC 2683)).

b. Overseas, the minimum age for the purchase of alcoholic beverages by any patron of the overseas military retail system is 18. Decision on a higher minimum age is based on international treaties and agreements and the local situation.

c. Installation requests for exception, sent through the IMA Region to the Deputy Chief of Staff, G–1, ATTN: DAPE–HR–PR, 300 Army Pentagon, Washington, DC 20310–0300, are considered only for soldiers as follows:

(1) At remote installations where privately owned motorized vehicles are not available for soldier use.

(2) When it is determined that there is a substantial risk of increased incidence of intoxicated driving by soldiers driving to or from a jurisdiction with the lower drinking age (State or international borders). To qualify for this

exception, an installation is within approximately 50 miles or 1 hour's driving time of the neighboring border with the lower drinking age. The sole factor considered is the motor vehicle safety of the community.

(3) Under controlled conditions, in order to foster camaraderie and friendship in a military environment that appeals to the military community, the garrison commander may authorize the serving of alcoholic beverages on those infrequent, non-routine military occasions when an entire unit, as a group, marks a uniquely military occasion at a military installation such as the conclusion of arduous military duty or the anniversary of the establishment of a military service or organization. In order for underage soldiers (those not meeting State age restrictions) to drink alcohol at one of these occasions, the event must be held on an Army installation. The commander will ensure that appropriate controls are in place to prevent endangering soldiers or the surrounding community.

d. Military personnel may purchase, possess, and consume "nonalcoholic" beer and wine (containing less than one-half of one percent alcohol) on post even though the State classifies these products as an alcoholic beverage.

e. Civilians, including spouses of military personnel, must meet the minimum State drinking age requirements, unless excepted by State law.

7–8. Locations where alcoholic beverages may not be consumed

Alcoholic beverages will not be consumed in, on, or at any of the following, except as stated for *f* and *g* below.

a. Skill development facility (such as arts and crafts, woodworking, photo, auto crafts shops).

b. Child and youth services facility or functions.

c. Library.

d. Basic combat training (BCT) and advanced individual training (AIT) barracks.

e. Army aircraft, vessel, or other motorized vehicles, unless approved by USACFSC.

f. Recreation centers. Only malt beverages and wine may be consumed in recreation centers upon written approval of the local commander for any of the following:

(1) On special occasions.

(2) When food service (snack bar) is available in centers that are used predominantly by soldiers.

(3) When food service is not available (though food service is recommended) in centers that are used exclusively by soldiers and authorized civilians of legal age.

g. Troop dining halls and civilian MWR activities supported by NAFs. If approved by the local commander and other restrictions are satisfied, these activities may provide malt beverages. Wine, however, is restricted to special occasions approved by the local commander.

7–9. Alcohol consumption locations

The retail sales of alcoholic beverages by an activity or agency is prohibited unless authorized herein or in IMA Region supplements to this regulation which have been approved by ACSIM.Specific categories of alcoholic beverages may be consumed or purchased, unless prohibited in paragraph 7–8, as follows:

a. Malt beverages, wine coolers, and other alcoholic beverages with an alcohol content of less than 7 percent:

(1) By the drink:

(a) Food, beverage and entertainment (FB&E) activities, to include military clubs, and AFRC hotels, and the Hotel Thayer.

(b) Other MWR food-related operations such as those located in golf and bowling facilities, cabaret/dinner theaters, and rod and gun activities.

(c) Civilian post restaurants and their activities.

(d) Overseas MWR activities approved by IMA Regions.

(e) Exchanges, including exchange cafeterias and snack bars, and exchange outlets in enlisted barracks and dining facilities (except BCT and AIT barracks).

(2) Packaged:

(a) Military clubs and other authorized MWR activities. Sales for off-premise consumption are at prices no less than AAFES and restricted to time periods when AAFES-operated retail activities which sell packaged beverages are closed. Package sales of beer and wine products incidental to party contracts or takeout food/beverage operations are exempt from this requirement. Takeout beverage sales are limited to sales of six-packs unless exceptions are coordinated with AAFES and approved by USACFSC (CFSC-BP).

(b) Package beverage stores (Class Six).

(c) Other exchange outlets approved by the local commander.

b. Distilled spirits, wine, and other alcoholic beverages with an alcohol content of 7 percent or more:

(1) By the drink:

(a) FB&E activities to include military clubs.

(b) Armed Forces Recreation Centers.

(c) MWR activities such as golf courses, bowling centers, rod and gun activities, and cabaret/dinner theaters, if approved by the local commander.

(d) Other overseas MWR activities approved by the IMA Region.

(e) Civilian post restaurants when approved by USACFSC.

(2) Packaged:

(a) Package beverage stores (Class Six).

(b) Other AAFES outlets such as shoppettes, Four Seasons, and main exchanges, when approved by the local commander.

(c) AFRCs, as part of room service. Sales are limited to registered guests only.

(d) The Thayer Hotel, which may sell only miniatures over the bar to registered hotel guests for consumption in their rooms.

c. Miscellaneous.

(1) Packaged alcoholic beverages, which may be sold in distinquished visitors quarters, TDY quarters, and guest house rooms, as follows:

(a) Guests serving themselves.

(b) Bottles or cans that are sealed and stored in a cabinet or refrigerator.

(c) Distilled spirits sold in 2-ounce or less bottles. Malt beverages, wine, and premixed cocktails are sold only in 12-ounce or less bottles or cans.

(2) Concessionaires who sell alcoholic beverages in MWR activities authorized to sell alcoholic beverages. (See also para 7–47*a*(5).)

(3) When a MWR activity is operated by AAFES under an agreement approved by USACFSC, AAFES may sell any alcoholic beverage authorized to be sold in that activity provided the local commander approves. This includes such agreements as the Class VI Transfer of Function Agreement and local agreements for AAFES operation of MWR food and beverage service at places such as golf courses and bowling centers.

7–10. Catering

a. MWR activities authorized to sell alcohol may sell and serve alcoholic beverages at parties or events catered at locations on the installation where the consumption of alcoholic beverages is authorized. This authority includes providing alcoholic beverages at installation functions, in permanent concessions, by management contracts at golf courses, and as required for dinner theaters, cabarets, supper clubs, and similar activities.

b. When approved by the local commander and in accordance with this chapter, other MWR activities, post restaurant funds and AAFES may cater alcoholic beverages with less than 7 percent alcohol at authorized locations on the installation.

c. In the United States, there is no transporting of any alcoholic beverages off the installation for use at off-post catered functions. Outside the United States, IMA Regions determine off-post catering policy.

7–11. Purchaser use

a. Individuals authorized to possess alcoholic beverages on an Army installation may serve the beverages to their families and bona fide guests.

b. Packaged alcoholic beverages from package stores—

(1) Are for the personal use of authorized patrons and their immediate family.

(2) May be purchased by an authorized patron for another authorized patron.

(3) May not be transferred to unauthorized personnel.

(4) May be presented as gifts to other eligible package store patrons. In overseas areas, IMA Regions may establish policies on gifts to comply with local social customs.

7–12. Procurement

a. Outside the United States, IMA Regions determine policies governing the source of and procedures for buying alcoholic beverages for MWR activities. Purchases by AAFES will comply with AAFES operational procedures. International treaties and agreements apply to all purchases.

b. In the United States, malt beverages and wine purchased with NAFs for resale or other use are purchased from in-State sources, while distilled spirits may be purchased from any source. In Alaska and Hawaii, all purchases of alcohol must be from in-State sources.

c. Alcoholic beverages that are not purchased by an activity may be sold in the activity, only if—

(1) A vendor or sales representative furnishes it for a promotional event or tasting.

(2) Members of foreign Armed Forces on duty with the United States Government, a foreign embassy, or any international organization recognized by the United States offer it under the following conditions:

(a) The alcoholic beverage is a lawfully introduced import duty-free.

(b) Title to the beverages is not passed to the activity or any other Army activity.

(c) Duty-free beverages are served only at approved special functions, to personnel affiliated with the group, embassy, or organization and their bona fide guests.

d. A NAFI may contract for special label or special brand alcoholic beverages only when approved by the IMA Region.

e. IMA Regions may approve the sale of alcoholic beverages to overseas embassy associations of the United States Government, if requests for support contain an official authorization from the ambassador or designee. The IMA Region will notify AAFES of its approval.

7–13. Transporting alcoholic beverages

a. Individuals may transport alcoholic beverages off an Army installation only as allowed by State and local laws. An individual who willfully violates the law may be indicted and prosecuted in a Federal, State, or local court.

b. Alcoholic beverages are transported onto an Army installation or introduced into an Army activity only when—

(1) Movement from the point of entry on the installation or to the activity is not prohibited by Federal law or, for alcoholic beverages consigned to individuals, by State or local law or regulation or when transported in a properly registered, NAFI-owned vehicle.

(2) Movement is not contrary to the policies of this regulation.

(3) The person transporting the beverages is—

(a) An adult eligible to purchase alcoholic beverages.

(b) An employee of a NAFI-supported activity authorized to sell or serve alcoholic beverages, if used in a NAFI activity function.

(c) An employee of a commercial firm who is delivering the beverages to authorized activities.

(d) A foreign military person on duty at the installation or activity.

(e) An official of a foreign embassy or international organization recognized by the United States when the beverages are to be used in an installation activity or private quarters.

c. All persons transporting alcoholic beverages from or to Army installations or activities are individually responsible for knowing and following State and local laws governing the movement of alcoholic beverages.

7–14. Controls

a. In addition to the provisions of AR 215–3, no military or APF employee will be assigned to dispense or serve alcoholic beverages except as specifically authorized in other regulations. This does not prohibit enlisted personnel employed by a NAFI in accordance with AR 215–3 from dispensing or serving alcoholic beverages during off-duty hours.

b. Commanders will conduct programs to discourage irresponsible use of alcoholic beverages and to further use the installation alcohol and drug office technical guidance.

c. All personnel who dispense and serve alcoholic beverages are employees of a NAFI.

d. All employees involved in selling alcohol are trained within 30 days of hire/assignment and then at least annually on subjects such as the effects of alcohol, how to identify intoxication, and what to do when a person becomes intoxicated. To accomplish this training, managers use Alcohol Sellers Intervention Program (ASIP) or other approved programs, copies of which may be obtained from USACFSC (CFSC-BP). The alcohol and drug control officer, SJA, and provost marshal personnel should assist with training. Installation personnel offices will assist management in developing a method of ensuring that ASIP training is completed within the required time limits and documented in employees' personnel folders.

e. Giving alcoholic beverages as prizes is prohibited, with the exception that if approved by the local commander wine products may be given by military clubs to eligible club patrons to accompany dinner on their wedding anniversaries, birthdays, and similar occasions.

f. Serving more than one alcoholic drink at a time for consumption by a customer or serving alcoholic beverages to intoxicated patrons is prohibited.

g. Reduced prices or providing of unlimited alcoholic beverages for MWR promotional activities, such as happy hour, is prohibited. This is intended to prohibit only reduced pricing and not the events themselves. Activities will not feature open bar promotions where the price of the event includes unlimited alcoholic beverages or monthly drink specials where the price of an individual drink is reduced. Activities may conduct food promotions where the price of an alcoholic beverage is included in the meal/event, such as a beef and burgundy; however, customers are given a choice of a nonalcoholic beverage substitute.

h. Alcoholic beverages are not served by the drink on Army installations to soldiers on duty (during the individual's assigned duty hours). On-duty status is determined by a soldier's commander and is not necessarily related to uniform wear or the normal duty hours of an installation. This does not restrict packaged sales intended for off-duty consumption. Additionally—

(1) The first general officer in the unit chain of command, with the concurrence of the garrison commander or designated representative, may authorize exceptions to this policy for appropriate occasions and ceremonies, such as organizational days or promotion parties. At no time may underage soldiers consume alcoholic beverages during these occasions. Frocked general officers may exercise this authority. This authority may also be delegated to garrison

commanders (or equivalent positions) in the grade of colonel. Further delegations are not authorized. Requests for deviations from these specific requirements are forwarded to USACFSC (CFSC–BP) for approval.

(2) It is not the intent of this policy to close activities during the duty day. The operation of a bar or dispensing of alcohol to soldiers not on duty and other authorized patrons and for private functions is permitted.

i. When military personnel are cited or arrested for violation of a civil or military law relating to the use of alcohol, commanders comply with the provisions of AR 600–85. Army policy and blood alcohol standards related to driving after or while consuming alcoholic beverages are in AR 190–5.

j. Commanders should make available, particularly during holiday seasons, Designated Driver programs, Dial-Aide, or other suitable programs to help reduce or eliminate alcohol-related incidents and to promote responsible social behavior. Commanders should encourage program promotion to the fullest extent possible through post newspapers, bulletins, membership newsletters, or other available means.

7–15. By-the-drink sales

a. When serving by the drink, the following will apply:

(1) Standard recipes are used for preparing all mixed drinks.

(2) A schedule of days and hours for dispensing alcoholic beverages is posted in each outlet. In setting scheduled hours, the commander considers the local situation, including duty requirements and all authorized patrons.

(3) A sign, printed list, or beverage menu showing the prices of alcoholic beverages will be available at each bar and/or table of an outlet.

(4) Unless otherwise authorized by this regulation, only malt beverages, wine, wine coolers, premixed cocktails, and miniature liquor (2 ounces or less) are sold by the bottle.

(5) Management controls for MWR operations are in accordance with this regulation, AAFES regulations for AAFES operations, and other appropriate DA policy (for example, AR 11–2).

(6) The following guidelines will apply when using promotions:

(a) In-house promotions, such as coupons, bag stuffers, free samples, or any other similar means of offering free or reduced-price alcoholic beverages to promote or advertise the sale or consumption of specific brands of alcoholic beverages are not authorized.

(b) Commercial promotions are authorized unless directed exclusively at the military community; that is, promotions such as those typically available to the general public in the private sector are permitted unless otherwise prohibited by this or other regulations.

(c) Bona fide beverage tastings, either in-house or commercial, are authorized.

b. When menus or catering brochures offer food or dessert items that contain alcohol as a separate ingredient, serving or catering staff will advise patrons of alcoholic content and offer nonalcoholic substitutions if customers request.

c. Privately owned alcoholic beverages will not be brought into any facility where alcoholic beverages are sold by the drink, with one exception: military clubs may permit members of foreign Armed Forces on duty with the United States Government or members of foreign embassies and international organizations recognized by the United States to bring lawfully imported, duty-free alcoholic beverages into clubs for special commemorative occasions. In these cases, a corkage or setup fee to offset expenses and ensure a reasonable profit may be charged, and beverages are consumed/used only by members of the group or organization and their bona fide guests.

7–16. Alcoholic beverages sold in bulk

a. A schedule of days and hours of sales will be posted in outlets.

b. In the United States, Puerto Rico, and Panama, the following information is displayed conspicuously in each sales outlet:

(1) Alcoholic beverages are for the personal use of authorized patrons. Reselling or giving beverages as a gift to anyone other than an eligible package store patron is prohibited.

(2) The exact quantity of tax-free alcoholic beverages that can be transported legally into or through the State, district, or territory.

c. The following guidelines will apply when using promotions:

(1) In-house promotions, such as coupons, bag stuffers, free samples, or any other media used to promote or advertise the sale or consumption of specific brands of alcohol, are prohibited.

(2) Commercial promotions are authorized for package stores if the same type of promotion is available to the general public in the private sector.

(3) Bona fide beverage tastings, either in-house or commercial, are authorized.

d. Contingency sales or receipting for alcoholic beverages is prohibited.

e. All patrons desiring to purchase from a package store will provide proof of their eligibility to purchase before a sale is made. Requiring identification for entry to a package store is a local command decision.

(1) Patrons in full regulation uniform need no identification unless there is doubt as to duty status or age.

(2) Sales personnel will check credentials of nonuniformed patrons to make certain that each individual is entitled to store privileges.

7–17. Packaged alcoholic beverage sales

a. As agreed to between the Army and AAFES in a Transfer of Function Agreement, AAFES is responsible for the administration, operation, and management of package stores. USACFSC grants any exceptions.

b. Package stores may sell alcoholic beverages, soft drinks, snack items, beverage-related products such as glasses, utensils, mixes, ice, cigarettes, and AAFES merchandise.

7–18. Establishing package stores

a. Outside the United States, IMA Regions establish policy on where package stores are to be located on an installation.

b. In the United States, the sale of package alcoholic beverages, other than alcohol with an alcohol content of less than 7 percent, is permitted at installations approved by the Secretary of the Army (SA). Before authorizing a package store, the SA will consider many factors but primarily the importance of package store profits to provide, maintain, and operate MWR activities, to lighten the financial burden on soldiers, and support and complement community activities for soldiers and their families. The SA also considers other factors such as—

(1) The estimated number of authorized patrons.

(2) Availability of wholesome family social clubs to military personnel in the local civilian community and limitations on nonmilitary sources.

(3) Geographical inconveniences.

(4) Disciplinary and control problems caused by restrictions imposed by local laws and regulations.

(5) Highway safety.

(6) Location and distance of nearest package store and reasons that the use of that facility is not feasible.

(7) A digest of the attitudes of community officials, local businesses, and civic organizations toward establishment of a package sales outlet. This digest consists of a summary of any written comments received from individuals and agents such as local mayors, heads of prominent civic groups, or chambers of commerce, State legislators, members of Congress, or other Government officials. The names of the community authorities and civic organizations, including the circumstances of the contacts and the dates on which they occurred are forwarded unless letters from local contacts are submitted. Speculative assessments of prospective community attitudes will not satisfy this requirement.

c. Local commanders wishing to establish sales outlets for package alcoholic beverages (other than alcohol with an alcohol content of less than 7 percent) may perform the required review or request the local AAFES exchange manager to perform the required review in paragraph b above. The commander forwards the request and documentation listed in b above through command channels to USACFSC (CFSC-BP). After approval by the SA, DOD and Congress are notified, and the installation is informed of the first day on which sales may be made.

d. Local commanders are authorized to establish additional outlets locally as long as they are on contiguous installation property.

e. Approval above the installation level is not required for outlets selling alcoholic beverages with an alcohol content of less than 7 percent, whether or not contiguous.

7–19. Package store triennial report (CSG PA 1715)

This report was deleted as a requirement by DOD and will be rescinded in AR 60–20.

7–20. American wine in overseas package beverage stores

Package beverage store managers on installations located outside the United States will ensure that wines produced in the United States are given, in general, equitable distribution, selection, and price, when competing with wines produced by the host nation.

a. Each package beverage store designates and prominently identifies a specific selection(s) of shelving for the display of U.S. wines.

b. For the purpose of compliance, there are four categories of wine: table/dinner, sparkling, dessert/aperitif, and wine coolers.

c. Package beverage stores carrying host nation wines in any of these categories will ensure that an equal number of American wines are carried in that same category.

d. For special host country wines that are classified as “Chateau,”“Estate,” or “Vintage ” and which are generally high priced and limited in sales volume, a representative number of (but not less than five) American wines will be carried.

e. The percentage of markup on American wines will be equal to or less than the percentage of markup on host country wines.

f. This policy does not apply if there is a conflict with a SOFA or host nation agreement.

7–21. Rationing

a. AAFES continually reviews the amount of alcoholic beverages bought in sales outlets and the number of authorized purchasers served. When per capita sales are deemed excessive, commanders may then ration per capita purchases.

b. When rationing policies are imposed, four copies of the local regulation governing rationing are forwarded to HQDA (DAPE-HR-PR) for review and approval before rationing begins.

7–22. Alcohol labeling

a. To afford military personnel stationed overseas the consumer health protection available to those in the United States (PL 100–690, The Alcoholic Beverage Labeling Act), health warning labels are required on all package containers of alcoholic beverages for resale to our servicemembers, including foreign package alcoholic beverages, served or consumed within activities located on Army installations. Products provided to U.S.-based activities are labeled by the manufacturer, distributor, or importer.

b. Activities purchasing from non-U.S. sources in overseas areas have three options:

(1) Ensure that contracts for non-U.S. products require compliance.

(2) Do not carry products from noncomplying companies.

(3) Self-apply labels to bottles.

c. Specific health warning requirements are—

(1) All containers of alcoholic beverages in liquid form which contain not less than one-half of 1 percent of alcohol by volume and are intended for human consumption supplied to Army activities include the following health warning statement on the brand label or separate front label, separate and apart from all other information:

> GOVERNMENT WARNING: (1) According to The Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

(2) Container is defined as the innermost sealed container, regardless of the material from which it is made, in which an alcoholic beverage is placed by the bottler and in which such beverage is offered for sale.

(3) All labels will be designed in a manner to make the health warning statement readily legible under ordinary conditions, and the statement is on a contrasting background. The words "GOVERNMENT WARNING" are capitalized in bold type. The remainder of the warning statement will not appear in bold type.

(4) Label size will follow these guidelines:

(a) For containers of 237 milliliters (8 ounces) or less, the statement is in script, type, or printing no smaller than 1 millimeter with a maximum of 40 characters per inch (2.54 centimeters).

(b) For containers of more than 237 milliliters up to 3 liters (101 ounces), the statement is in script, type, or printing no smaller than 2 millimeters with a maximum of 25 characters per inch (2.54 centimeters).

(c) For containers of more than 3 liters, the statement is in script, type, or printing no smaller than 3 millimeters with a maximum of 12 characters per inch (2.54 centimeters).

(5) Labels that are not an integral part of the container are affixed to the containers in such a manner that they cannot be removed without thorough application of water or other solvents.

7–23. Cooperation with State and local officials

Commanders will cooperate with local, State, and Federal officials whenever necessary. Cooperation, however, does not include permitting State control on a Federal installation or acknowledgment of any legal obligation to submit to State control, pay State or local taxes, or purchase alcoholic beverages within defined geographic boundaries, at specific prices, or from suppliers prescribed by any State, except as provided by this regulation.

7–24. Requests for information

Installations, through the public affairs office, may provide information related to alcoholic beverage sales, if the information is available and its release does not violate the provisions of AR 25–55 or AR 340–21. All relevant costs are borne by the requester. Requests for information on AAFES sales are forwarded to the local exchange manager for response.

Section III
Travel and Transportation

7–25. Guidelines

a. NAFI personnel travel will adhere to the following rules:

(1) Provisions of the Joint Travel Regulation (JTR) apply to NAF employees traveling on MWR business.

(2) Transportation of NAFI employees may be APF-funded when the purpose of the travel is related to command supervision (see app D).

(3) U.S. citizen NAFI employees may travel on air mobility aircraft. Official travel will be on a space-required basis, subject to reimbursement from the employing NAFI, unless the travel is APF funded.

(4) Any travel benefit offered by a carrier to a NAFI employee in the performance of official business reverts to the NAFI. Acceptance of gratuities, reimbursements, and other benefits from outside sources is in accordance with the Joint Ethics Regulation (DOD 5500.7).

(5) Advance travel payments to NAFI employees who are not authorized government corporate charge cards will not exceed 80 percent of the anticipated per diem allowance plus transportation costs. Vouchers are promptly submitted in accordance with DOD 7000.14–R, volume 13.

(6) PCS movement of NAF employees, their family members, household goods, and privately owned vehicles is in accordance with AR 215–3. Costs of PCS transportation by the Military Sealift Command (MSC) or Air Mobility Command is reimbursed from the employing NAFI or by the employee from authorized employment allowances.

(a) Preparation of PCS travel orders which include the shipment of household goods and unaccompanied baggage follows procedures in AR 55–71.

(b) A copy of all travel orders for NAF employees returning from an OCONUS assignment is sent to the Fund Manager, AMWRF, P.O. Box 107, Arlington, VA 22210.

(c) The JTR prohibits shipment of privately-owned ammunition as household goods. This prohibition applies to NAF employees.

b. Air transportation requirements will be booked with U.S. flag carriers, unless otherwise determined by the local transportation officer or an appropriate official that certificated air carriers are not available. (See JTR, para C2204, for an exception to this requirement.)

c. Employees traveling under official travel orders are entitled to use permanent quarters, DOD food services, exchanges (while occupying government quarters), and other MWR activities, except where precluded by international treaty or agreement.

d. NAFI-funded travel will adhere to the following rules:

(1) Travel order forms described in the JTR, volume II, chapter 3, part D, for TDY and PCS are used in conjunction with official NAFI-funded travel, subject to the following:

(a) Forms are clearly marked "NONAPPROPRIATED FUNDS."

(b) The commander immediately responsible for the NAFI designates in writing the order-authorizing official for NAF travel orders.

(c) The remarks section contains a statement signed by the fund manager indicating that NAFs are available within an approved NAFI budget.

(d) The accounting citation section will include an entry signed by the fund manager indicating that all related travel costs are chargeable to the NAFI.

(e) When the fund manager is also the order-authorizing official, the separate entries described above need not be individually signed.

(2) First-class air transportation accommodations are not authorized except for limited circumstances as allowed in the JTR.

e. SF 1169 (U.S. Government Transportation Request (GTR)) for travel funded with NAF is not used. See appendix D for APF authorizations.

f. Travel by personnel participating in authorized athletic competitions, training sessions, or like events may be authorized by invitational travel orders at no expense to the government. Travel expenses are paid by the sponsoring NAFI, personal funds, or a combination of both.

g. Other authority for personnel travel expenses is in chapter 8 and appendix D of this regulation.

7–26. Government travel system accounts

a. The Government Travel System (GTS) is used when purchasing NAF-funded airline tickets at the U.S. Government-negotiated airfare. OCONUS NAFIs may reimburse personnel for official NAF travel limited to an amount no greater than the cost of a comparable Government fare.

b. Although the GTS is operated by a contractor holding the current U.S. Government charge card contract, charge cards issued to NAFI employees may not be used to pay for airline tickets issued at the official Government rate unless use is necessary due to change of itinerary while in a travel status.

(1) Requests to establish NAFI GTS accounts are addressed through the chain of command to Commander, USACFSC, ATTN: CFSC-BP, 4700 King Street, Alexandria, VA 22302-4404, and include—

(a) Name of installation and exact name of NAFI, for example, IMWRF, IMA Region Fund, and so on.

(b) Name, title, mailing address, Defense Service Network (DSN) and commercial telephone, and fax numbers for the individual who verifies GTS billings for payment.

(c) Name, mailing address, and commercial telephone and fax numbers for the servicing Commercial Travel Office (CTO).

(d) Name, mailing address, point of contact (if known), DSN and commercial telephone, and fax numbers for the NAFI CAO.

(e) Estimated NAF travel budget for the current fiscal year.

(2) GTS account numbers are given to local CTOs immediately after they are issued to the NAFI. All subsequent CTO billings against the NAFI are charged to the GTS account. The GTS account remains active unless canceled in writing by the Government contractor or the NAFI.

7–27. NAFI cargo

a. Eligible cargo, as defined in appendix D, may be transported from CONUS to the first overseas destination by Air Mobility Command (AMC) airlift or Military Sealift Command (MSC) sealift on a space-required, nonreimbursable basis. Eligible cargo meeting AR 59–3 criteria is assigned transportation priority 3 (TP3), in accordance with DOD 4500.9–R, Volume II, chapter 203. Documentation for authorized shipment using the military transportation system is in accordance with DOD 4500.9–R.

b. Overseas commanders determine eligibility of cargo for intratheater movement on aircraft under their operational control, subject to—

(1) Items determined to be essential to the MWR program may be transported on a space-available, nonreimbursable basis, if air transportation is necessary and can be furnished from available resources. The movement document is annotated "nonrevenue traffic."

(2) Items not qualifying will be transported only on a reimbursable basis at the cost tariff rate. The movement document is annotated "revenue traffic."

7–28. MWR use of Government vehicles

a. Use of Government-owned or Government-contracted vehicles by MWR activities is governed by AR 58–1 and is limited to authorizations in appendix D. Vehicles will not be acquired with APFs to provide transportation support either partially or wholly to MWR activities.

b. Use of Army motor pool vehicles is restricted to official purposes. They may be used only if the local commander determines that such use does not adversely affect the command mission.

c. Per DOD 4500.36, Government bus transportation may be provided on a nonreimbursable basis, in support of MWR programs as follows:

(1) Teams composed of personnel officially representing the installation in scheduled competitive events.

(2) DOD personnel or family member spectators attending local events in which a command or installation-sponsored team is participating.

(3) Entertainers, guests, supplies, and/or equipment essential to MWR programs.

(4) MWR-sponsored activities including recreational tours and trips when fees are not levied upon the passengers (except fees made to cover the cost of the driver when required) and when approved by the garrison commander.

7–29. Use of NAF vehicles

a. NAFI passenger carriers are used only for official NAFI business.

b. Domicile-to-duty (home to work) transportation is prohibted by statute (31 USC 1344). Employees provide their own transportation between home and work, unless written approval by the SA has been obtained. Exceptions are limited to—

(1) Highly unusual circumstances that present a clear and present danger to the individual.

(2) Emergency situations.

(3) Other compelling operational considerations that make provision of transportation essential to the conduct of official business. Approvals for personnel engaged in field work must be revalidated every 2 years.

c. Garrison commanders are responsible for the administrative control of NAFI-owned or leased passenger carriers, to include wheeled vehicles of all types, boats, and aircraft.

d. Installation SOPs for NAFI passenger carriers will explain procedures for maintaining dispatch and driver performance records, fuel and maintenance logs, and safeguards against misuse. The following is documented for each use:

(1) Employee name and title.

(2) Name and title of person authorizing use.

(3) Vehicle registration number or other identification, and the date, time, location, mileage, and duration of use.

e. NAF employees who willfully use or authorize the use of a passenger carrier owned or leased by the U.S. Government or a NAFI for other than official business will be suspended without pay for at least one month or removed from office, in accordance with AR 215–3.

7–30. Registration and licensing of NAFI vehicles

a. Registration. Within the United States and Puerto Rico, the following vehicles will be registered within 72 hours of acquisition: those owned by NAFIs and vehicles leased under a NAF contract for use on public roads. This includes recreational vehicles, campers, and trailers. Off-road vehicles, motorcycles, and mopeds must be registered only if required by the State in which they are used or located. No vehicle, regardless of type, will be registered with State or local government. Overseas NAFIs will register NAF vehicles as prescribed by SOFA or local regulations. Registration procedures for NAF vehicles are administered by the Army's NAF Risk Management Program (RIMP) as follows:

(1) Requests for NAF vehicle registration are signed by fund managers, forwarded to USACFSC (CFSC-FM-I), 4700 King Street, Alexandria, VA 22302–4406, and include—

(a) Installation and IMA Region; name of the NAFI that owns, uses, or leases the vehicles; date acquired; and cost.

(b) Source of acquisition, such as commercial purchase, transfer from another NAFI, or issue through a Defense Reutilization and Marketing Office (DRMO). If transferred from another NAFI, include the name and location of the losing NAFI and the license plate number transferred with the vehicle.

(c) Name and telephone number of the responsible fund manager.

(d) Description of the vehicle: year, make, model, body type, and Vehicle Identification Number (VIN).

(2) Supporting documents:

(a) For vehicles acquired through DRMO or property disposal offices, a copy of DD Form 1348 (DOD Single Line Item Requisition System Document Manual).

(b) For other vehicles, a copy of the title or bill of sale.

(c) For mopeds, a copy of the State requirement or a statement by the fund manager that moped registration is required.

(d) Certification that vehicles have been and will be inspected and road tested annually by appropriate installation personnel, using the inspection criteria of the State in which the vehicles are based. The fund manager retains results of tests and inspections.

b. NAF vehicle license plates. After RIMP registration, DA Form 4722 (U.S. Army Nonappropriated Fund Vehicle Registration) is sent with license plates directly to the requesting NAFI. The original registration form is kept in the vehicle, and the duplicate retained by the fund manager. Campers and trailers designed to be towed by another vehicle are issued one plate; other vehicles, two. Registration and licenses issued under this regulation are valid until canceled by RIMP.

c. Transfer and cancellation of NAF registration. Registrations are canceled upon the vehicle's transfer, sale, or other disposition. Registrations are not transferable to other NAF vehicles.

(1) The losing NAFI will complete the reverse side of DA Form 4722 indicating the name and address of the gaining NAFI and returns it to RIMP. License plates remain with the vehicle.

(2) The gaining NAFI will apply for a new vehicle registration as specified in subparagraph a above.

(3) Sale or other disposition. When NAFI vehicles are sold, turned in to DRMO, or otherwise disposed of, the fund manager completes the reverse side of DA Form 4722 and returns it to RIMP (CFSC-FM-I). License plates are removed and destroyed.

d. Replacement of license plates.

(1) New license plates are issued to replace any that have been lost or stolen or become illegible. Requests signed by the fund manager are sent to RIMP (CFSC-FM-I), 4700 King Street, Alexandria, VA 22302-4406, state the reasons for the request, and include the plate number to be replaced. Upon receipt of replacement registration and plates, old plates are removed and destroyed within 72 hours.

(2) Copies of previous registration certificates are returned to RIMP within 30 days of issue. A superseded registration not received by RIMP within 30 days of the issue date may be canceled without notice and may subject the fund manager to disciplinary action.

e. Drivers' licenses for NAFI vehicles.

(1) Drivers of NAFI vehicles designed for 15 or fewer passengers (including the driver) must—

(a) Possess an OF 346 (U.S. Government Motor Vehicle Operator's Identification Card) per DOD 4500.36–R; or

(b) Be a licensed driver in the State in which the vehicle is based or primarily operated or in any State that has reciprocity with the State in which the vehicle is based.

(2) Drivers of NAFI-operated vehicles designed for 16 or more passengers (including the driver) must possess a commercial driver's license.

(3) Drivers of NAFI vehicles in overseas areas must be licensed in accordance with local laws or treaty agreements.

Section IV
MWR Management Information Systems and Other Administrative Policies

7–31. MWR automation standards

a. Army MWR automation standard systems are established and issued by the MWR BOD Management Information

Systems Steering Committee (MISSC). Use of these standard systems is mandatory. The development, requirements review, evaluation, selection, and recommendation of standard systems is performed by the MISSC.

b. The MISSC serves as the Configuration Control Board and approves recommended changes in program training, implementation, and system software. USACFSC, IMA Regions, and installations provide representatives to the MISSC, with specific functional areas represented on an as-required basis.

c. Acquisition of MWR data processing systems and equipment is subject to the following guidelines:.

(1) Data processing systems and equipment, including hardware and software, excluding office automation, purchased for use within MWR activities must meet the MWR standards established by the MISSC. Office automation software must meet installation-specific requirements, regardless of funding source.

(2) Data processing systems and equipment are programmed for, budgeted, and approved before being procured. Procedures outlined in AR 70–1, Army Acquisition Policy, are used for APF-funded requirements. Procedures in AR 215–4 are used for NAF-funded requirements.

d. Approval authority for NAF requirements will come from the following::

(1) Garrison commanders will approve all orders for stand-alone systems that are not part of the MWR MIS standard systems up to $50,000.

(2) IMA Regional Directors will approve all orders for stand-alone systems that are not part of the MWR MIS standard systems exceeding $50,000 and integrated systems, regardless of use.

7–32. Conflicts of interest

Joint Ethics Regulation, DOD 5500.7–R, applies to all personnel responsible for the custody, control, management, supervision, and administration of APF or NAF resources. In addition, no individual, unit, organization, or installation has any proprietary interest in NAFs or NAF assets.

7–33. Nondiscrimination

MWR activities do not discriminate on the basis of race, color, religion, sex, age, national origin, marital status, political affiliation, or physical handicap. A NAFI may not be affiliated by membership, dues or non-dues paying, with any private sector recreational, trade, or professional association that practices discrimination in any form. No MWR facility or activity will be made available to any organization that practices discrimination nor will any NAFI use the land, facilities, or services of such organizations.

7–34. Acquisition of goods and services

When APFs are to be expended for a MWR acquisition, the provisions of the FAR, FAR supplements, and this regulation apply. For NAF acquisitions, the provisions of this regulation and AR 215–4 apply.

a. Verbal contracts will not be used.

b. NAF and APF credit cards may be used as authorized.

c. APFs up to $2,500 may be used to purchase supplies or services from NAFIs, noncompetitively. The Government must rotate such purchases among vendors if there is similar price/value relationship. Supplies and services acquired from NAFIs must be integral to the ongoing functions performed by the NAFI in support of the NAFI mission. The method of purchase is the U.S. Government credit card (Army International Merchant Purchase Authorization Card (IMPAC)).

d. The IMPAC credit card is for Army-wide use by both APF and NAF activities. Standing Operating Procedure (SOP) for use of the I.M.P.A.C. credit card is issued to each cardholder explaining the program, conditions for use, authorized, unauthorized, and regulated purchases, dollar limits, and procedures for use. SOP for use of the IMPAC credit card by U.S. Army NAFIs is issued by USACFSC, ATTN: CFSC-NC, 4700 King Street, Alexandria, VA 22302-4415.

e. APF payment above the $2,500 threshold to a NAFI is authorized only for APF contracts issued through APF procurement channels when contracting with the NAFI is justified as sole source under FAR and supplies or services provided by the NAFI are normally a part of the NAFI function and mission.

f. The Government may contract noncompetitively with overseas exchanges (vice NAFIs) for supply requirements, conditioned upon the contract (or purchase card) not exceeding $50,000; availability of merchandise where the contract is let; and items are normally in the exchange inventory (10 USC 2424).

g. Use of the DD Form 448 (Military Interdepartmental Purchase Request (MIPR)) is as follows:

(1) A MIPR may only be used under the guidelines of DFAS-IN Regulation 37-1, paragraph 12–5, to transfer NAFs to an APF account of the U.S. Government for goods and services rendered to a NAFI by the Government.

(2) The MIPR cannot be used to transfer APFs to an IMWRF, or any NAFI, for services or items provided to the Government.

h. See paragraph 4–3 for policy on the DOD MWR USA practice which allows authorized APF services to be executed through the IMWRF.

7–35. Excess NAF assets

NAFI assets that are excess to requirements may be redistributed in accordance with this regulation and IMA Region procedures.

7–36. Fixed assets

See chapter 12.

7–37. Nonresale NAFI purchases

a. NAFIs in foreign areas may buy foreign-name or -produced goods if not for resale and the purchase is—

(1) Made pursuant to treaty or executive agreements.

(2) Estimated not to exceed $25,000 in foreign costs.

(3) Essential goods only available from foreign sources.

b. Purchase of other "not for resale" goods, except as provided herein, is of U.S. materials and end products from domestic suppliers, provided the cost of U.S. goods (including transportation and handling costs) is estimated to be no more than 25 percent above the cost of foreign goods.

7–38. Food service employee meals

a. Activity managers may offer an employee meal program to NAF employees working in a food service environment (MWR activities that sell food). If this is a condition of employment, the employee must be paid for the meal period. In any case, the meal period is specified within the employee's scheduled work hours. Meals are retail price, wholesale cost, or no cost to the employee. The employee meal program is used as a business tool and a benefit to the NAFI. Examples include— a rental clerk behind the bowling center counter taking meals at the bowling center snack bar, a club cook or hostess taking their meal at the club; the golf pro manager taking a meal at the food service facility at the golf course.

b. Meal programs for local national employees and third-country national employees are prescribed by the IMA Region and subject to applicable international agreements.

c. GLAC 306 is used in accounting for NAFI employee meals per DOD 7000.14–R, volume 13 (app A).

7–39. Acceptance of gifts or donations

For commercial sponsorship agreements, see paragraph 7–47; for gifts to the Government, see AR 1–100.

a. Gifts of real or personal property or gifts of a monetary value may be accepted by a NAFI when voluntarily offered by private individuals or groups, if a determination is made that acceptance is in the Army's best interest. In making this determination, the responsible official considers—

(1) Whether the NAFI needs the proposed gift.

(2) The cost to the NAFI.

(3) Whether conditions imposed by the donor, if any, can be met.

b. Gifts are not solicited. Army personnel may, however, identify NAFI needs in response to inquiries from prospective donors.

c. Donors are not granted any special privileges or concessions in return for gifts voluntarily offered; all ownership rights are relinquished. This does not preclude accepting donations of minimal value (score cards, coin wrappers, golf tees, table tents) that include the logo or slogan of a commercial source. Government identity will not be contained on such items.

(1) A posted disclaimer will state that the Army does not officially endorse the product donated or the organization furnishing it.

(2) The donor is not given exclusive rights to furnish products.

d. The use of donor boxes for voluntary public contributions to specific NAFIs, such as museums and chaplain funds, is not a public solicitation. A sign posted near the donor box will state clearly how contributions are used and that donations are not used to support the APF facility where the box is located.

e. The following authorities may approve offers of gifts or donations, subject to value limitations for each gift. The aggregate amount of concurrent gifts from a single source to an individual NAFI determines the approval level.

(1) NAFI fund manager. Up to $5,000 when delegated by the local commander.

(2) Local commanders. Up to $25,000, except for contributions by the local United Way which may be accepted in any amount.

(3) IMA Region Directors. Up to $50,000.

(4) USACFSC (CFSC-SP). Amounts up to $200,000.

(5) Secretary of the Army. Amounts over $200,000.

7–40. Acceptance of gratuitous services

a. Gratuitous services may be accepted by MWR activities and other NAFIs under certain conditions. Certain

benefits to volunteers do not apply to those individuals providing gratuitous services insofar as workers' compensation, tort claims, and reimbursement of incidental expenses (for example child care) are concerned.

(1) Individuals agree in writing to waive any and all claims against the Government or the NAFI that may arise from the performance of their services. Sample agreements are provided in figures 7–1 for adults (or married family members under age 18) and 7–2 for unmarried family members under age 18. These agreements will be maintained in files of the activity in which the services are provided.

(2) Background checks and standards for acceptance and use of individuals are the same as those prescribed in AR 608–10 for Child Development Services (CDS) and Youth Services (YS).

(3) Individuals receive no pay and the performance of services does not qualify them as an employee of either the U.S. Government or the sponsoring NAFI. They provide gratuitous services on their own initiative.

(4) MWR activity managers will ensure that the provisions of Section 637 of the National Defense Authorization Act for fiscal years 1988 and 1989 (Pub. 100–180) are not violated. No DOD official shall, directly or indirectly, impede or otherwise interfere with the right of a spouse of a military member to pursue and hold a job, attend school, or perform voluntary services on or off a military installation. Additionally, no DOD official shall use the preferences or requirements of a DOD component to influence, or attempt to influence, the employment, educational, or volunteer services decisions of a spouse.

(5) The tasks and duties of gratuitous services to be performed will be fully defined and documented to provide achievable goals and challenges to motivate the individual. A good program requires a careful matching of interests to opportunities and structuring the daily duties to ensure a sense of purpose and contribution. Elements of a job description will include position and title, first and second line supervisor, goals/objectives of the job, description of duties, time required, qualifications, training required and provided by the MWR activity, supervision, evaluation, and feedback.

(6) Gratuitous services may be accepted from civilian personnel from both the military and civilian communities; military personnel and their family members; and students, with the permission of the institutions where the students are enrolled, if part of an agency program to provide educational experiences for students.

(7) Contributions and achievements may be acknowledged through appropriate recognition programs funded with NAFs (see chap 4).

(8) Gratuitous services are recorded and retained by the applicable MWR activity. If the individual providing the gratuitous services is a sponsored volunteer of an organization other than an MWR activity (such as the American Red Cross), the hours of gratuitous service will be reported to that organization.

b. Individuals providing gratuitous services cannot be reimbursed with NAFs or APFs for their incidental expenses incurred as a result of their services. Reimbursement may be accomplished by the formation of an activity-specific or installation-wide private organization (PO) whose sole purpose is to raise money or receive donations for the reimbursement of gratuitous services personnel. The treasurer of the PO or custodian of the informal fund may directly reimburse the individual for expenses incurred or may make prepayment arrangements, if possible, to the activity or organization receiving services, such as a CDC. With prepayment, an amount will be deposited against which sign-in sheets will be charged. The deposit will be replenished before it is fully depleted or at least monthly, and the funding source will be notified when depletion is near if earlier than expected. Copies of the sign-in sheets will be forwarded to the funding source and to the CAO with the DAR. The CAO copy will serve to substantiate the revenue amount provided the MWR activity.

c. Gratuitous services cannot be accepted in MWR activities from—

(1) A person who would be performing duties for which APF compensation is fixed by or pursuant to law (those duties which come under the general service (GS) system of classification).

(2) Instead of filling a NAF employee position, or

(3) To perform duties which, if not performed, would require the hiring of an APF or NAF employee to do them. If an APF or NAF employee would otherwise have to perform the services that are gratuitously offered by a person, then those services may not be accepted. For example, gratuitous services may be accepted from a person performing assistant coach duties in youth services but may not be accepted from a caregiver in a CDC.

(4) The duties of a position performed by an MWR employee cannot be divided or split and performed gratuitously by one or more individuals.

7–41. Safety, fire prevention, and health programs

a. Safety programs will be established for all MWR activities, in cooperation with installation safety directors and fire marshals as required by AR 385–10, AR 385–40, and AR 420–90. Chapter 8 of this regulation outlines additional safety requirements for high-risk MWR activities.

b. SOPs for safety administration and accident prevention will be developed for on-going and special activities and used by all MWR personnel.

c. Individuals using hand tools, power tools, and other specialized equipment will qualify prior to use. Qualification records are maintained on DA Form 3031 (Qualification Card for Use of Arts and Crafts Center Equipment) or DA Form 3031–1 (Qualification Card for Use of Automotive Crafts Shop Equipment) and are updated every five years.

d. Comprehensive health and environmental quality programs are established for all MWR operations as prescribed by TB MED 530.

e. Weapons and ammunition are stored, maintained, and accounted for as prescribed in chapters 8 and 12 and AR 190–11.

f. Smoking in MWR facilities is in accordance with AR 600-63. By law (Pub. L. 104–52), the sale of tobacco products (cigarettes, cigars, little cigars, pipe tobacco, smokeless tobacco, snuff, and chewing tobacco) in vending machines and the distribution of free samples of tobacco products in or around federal buildings (owned or occupied under a lease, to include real property on which a building is located) is prohibited, except at specific locations where minors (under 18 years of age) are not allowed. Sales restrictions apply only to vending machines, not over-the-counter sales. This prohibition may or may not apply to buildings occupied in foreign areas.

g. Tableside flambe cooking in MWR activities is prohibited due to the safety hazards posed to the server and guests and the potential for major liability claims under the RIMP program.

7–42. Postage and mail

Payment of U.S. postage from APFs is authorized for official business. Only NAFs are used for postage related exclusively to category C MWR activities (see app D).

7–43. Liability waivers

a. A liability waiver, also known as a release and hold harmless agreement or a covenant not to sue, is a signed statement in which a participant in an event or activity acknowledges the inherent risks and dangers of participation and agrees not to sue the sponsor or operator or otherwise hold it responsible in the event of injury or death resulting from participation. Use of liability waivers by MWR activities is as follows:

(1) Use is determined by the garrison commander based on recommendations of MWR program managers and the installation SJA. Consideration includes liability exposure, availability and adequacy of liability insurance, and adequacy of management practices and procedures.

(2) Where required, liability waivers are drawn by the SJA and are—

(a) Tailored to circumstances of the specific event or activity.

(b) Compatible with State and local laws or the provisions of any applicable international laws, customs, treaties, or agreements.

(c) Written clearly and unequivocally, avoiding any extraneous matter, such as statements concerning damage to Government property.

b. A determination as to whether to establish or continue a MWR activity should be based on the liability exposure of the activity and not the fact that a liability waiver is or can be required. Liability exposure is the extent to which APF or NAF expenditures may be required to pay claims for death or personal injury, damage to or loss of property, and the cost of investigation and litigation.

7–44. MWR advertising

a. MWR activities communicate their presence and the availability of goods and services they offer to as many potential patrons as they can. Such communication will not reflect unfavorably on the DOD, the Army, other DOD components, or the Federal Government.

b. MWR activities may contribute articles and stories for publication as unpaid information items in base newspapers, plan-of-the day, Armed Forces Radio and Television Service (AFRTS), installation cable TV, and other media intended primarily for distribution to authorized patrons.

c. MWR activities may pay to advertise MWR goods, services, entertainment, and social events in the civilian enterprise media, including installation cable television. Brand names and item prices, feature acts, films, or talents, and admission price or cover charges, and names of commercial sponsors may be included in MWR advertising. Such advertising will prominently display the phrase "PAID ADVERTISEMENT."

d. MWR activities may pay to advertise their services and events in other than Armed Forces newspapers provided the chosen media is circulated to, written for, or geared to an audience consisting primarily of military or DOD personnel, or other authorized patrons.

e. Advertising of MWR programs, services, or events that may be heard, seen, or read by other than authorized patrons will contain a statement similar to: "This offer/event is open only to authorized patrons—PAID ADVERTISEMENT." This phrase is not required for advertising MWR events that are open to the private sector as discussed below.

f. MWR activities may pay to advertise in appropriate civilian (local and national) media when MWR special events are open to the private sector. Examples of MWR events include, but are not limited to, music concerts, athletic programs, Volksmarches, competitive runs, and American historical or traditional military events. Advertising of these events is subject to the following conditions:

(1) Events will not directly compete with similar events offered in the local civilian community. Open events and event advertising will be coordinated in advance with the local public affairs office.

(2) Open events must be infrequent, not weekly or monthly, increase military/civilian interaction and enhance community relations.

(3) Merchandise will not be advertised in civilian media. However, event-related merchandise may be sold. Food and beverages may be sold for on-premises consumption only.

(4) Any community relations or public affairs (command functions) open event advertising will be conducted and resourced as prescribed in AR 360–1.

g. NAFIs, excluding Armed Services exchanges, may sell space for commercial advertising in any media (printed, signs, electronic) produced for or prepared by them and may accept payment for such advertising subject to the following conditions:

(1) Publication of paid commercial advertising by NAFIs is bound by similar standards of propriety that apply to civilian enterprise publications, as prescribed in AR 360–1. Those standards that apply to NAFI commercial advertising include—

(a) Advertising will be rejected if it undermines or appears to undermine an environment conducive to successful mission performance and preservation of loyalty, morale, and discipline. Some considerations in accepting advertising include the local situation, the content of the proposed advertisement, and the identity and reputation of the advertiser.

(b) Advertising will not contain anything in it that might be illegal or contrary to DOD or Army regulations, such as discrimination, prohibition against soliciting membership in private groups, endorsement of political positions, favoring one group over another group, partisan political items, political advertisements, and games of chance.

(c) A supplement or insert with commercial advertising may be distributed with NAFI media provided fair and equal opportunity is offered to organizations or personnel to compete for this privilege.

(d) No advertising will be accepted from any establishment placed "off limits" by the commander.

(e) "Truth in lending"statutes will be met by consulting with the local Staff Judge Advocate.

(f) Good judgment will be used concerning acceptance of commercial advertising that may compete with MWR activities.

(2) Advertising will include a disclaimer that it does not constitute DOD, Army, or Federal Government endorsement.

(3) Paid commercial advertising on APF electronic media, such as AFRTS and the local commander's channel, is prohibited.

(4) The local commander will make final decisions on acceptance of advertising and must consider public perceptions, impact to the local economy, and the effect on the local civilian enterprise newspaper, installation guide, and installation map.

(5) Any prominent display of signage containing commercial advertising will comply with the installation Army Communities of Excellence standards and be coordinated with the installation engineers.

(6) Advertising in NAFI media is based on reaching bona fide users in accordance with established patronage policies.

(7) NAFI media will not be distributed off the installation. Mailings to authorized patrons are permitted using NAFs of the respective NAFI.

h. Commercial advertising sales and the placement of event advertising in civilian media will be performed centrally by individuals designated by the DCA (or equivalent) at the installation and IMA Region levels, and the Commander, USACFSC, at DA level and will not be performed by individual MWR program managers and policymakers.

i. Expense accounts are authorized as prescribed in paragraph 7–47*f*.

7–45. Promotional materials

a. Promotional mailings to authorized MWR patrons of announcements pertaining to sales in and services provided by MWR activities are authorized. Promotional mailings containing advertisement of specific commercial products, commodities, or services provided by or for any private individual, firm, or corporation are authorized only to those patrons who voluntarily have requested to receive such mailings. The cost of promotional mailings to include postage will be paid for with NAFs.

b. Ads, premiums, coupons, and samples (except tobacco products and alcoholic beverages) may be distributed directly to authorized patrons. A disclaimer is not required for items provided as premiums, coupons, and samples. MWR activities may accept premiums with a value of $10.00 or less when voluntarily initiated and prepared by suppliers. Ads and promotional devices that are primarily advertising devices, prepared by non-DOD sources, will not be distributed through official channels. Such media may be placed in locations on the installation for personal pickup. A disclaimer is required as prescribed above. Funds will not be solicited from suppliers or other non-DOD sources to offset costs of premiums. MWR activities will not request suppliers or other sources to prepare or provide special premiums at their expense.

c. MWR activities may use point of sale displays and promotional material, such as reduced price and special offer coupons and may participate in national and local coupon redemption programs, available to the general public as well as the military community.

7–46. MWR identity (and signage)

a. MWR operations are identified with appropriate signs and are included in post maps and telephone directories. Interior signs inform patrons of goods and services, hours of operation, prices, authorized patronage, and credit and check-cashing practices.

b. The placement of all exterior signs must be coordinated with and approved by the installation DEH/Director of Public Works (DPW).

c. Distinctive uniforms, other articles of clothing, name tags, and insignia may be worn by MWR personnel while on duty.

7–47. Commercial sponsorship

a. Commercial sponsorship is the act of providing assistance, funding, goods, equipment (including fixed assets), or services to a MWR program(s) or event(s) by an individual, agency, association, company, or corporation, or other entity (sponsor) for a specific (limited) period of time in return for public recognition or opportunities for advertising and other promotions.

b. Commercial sponsorship is either unsolicited or solicited, but authorized only for MWR programs and events, Army Family Team Building and Army Family Action Plan, programs that are closely linked to MWR activities. Any funds, products, services, or items resulting from commercial sponsorship agreements are used only within those specified programs. The commercial sponsorship program does not include acceptance of volunteer services. Additionally, this program does not include nor refer to those products or services that are considered gifts or donations nor those items considered premiums, coupons, or limited samples obtained as a result of a gift or donation. MWR gifts policy is contained in paragraph 7–39.

c. Commercial sponsorship support of MWR is authorized under the following conditions:

(1) MWR employees authorized to work with the commercial sponsorship program receive appropriate professional development opportunities. At a minimum, they receive a briefing on ethics (Standards of Conduct), the principles and procedures of solicitation, evaluation of offers, and file documentation.

(2) Obligations and entitlement of the commercial sponsor and the MWR program are incorporated into a written sponsorship agreement valid for a period of one year or less. The period covered by the original agreement and any annual renewals will not exceed a total of five years. This does not preclude the award of a new contract to the same sponsor after the initial five-year period. All agreements will receive a legal review by the servicing SJA.

(3) Advertising, publicity, or other promotional consideration provided to sponsors is commensurate with the level of sponsorship offered.

(4) Special concessions or favored treatment are not provided to commercial sponsors, with the exception of public recognition of sponsor support and opportunities for advertising and other promotions, such as signage, sampling opportunities, couponing, as described in the commercial sponsorship agreement. Individuals or entities not providing commercial sponsorship are not treated with disfavor and do not suffer any form of reprisal.

(5) Appropriate disclaimers, such as "sponsorship does not imply endorsement," are required in any public recognition or printed material developed for sponsorship by either the MWR activity or commercial sponsor, since the Army does not endorse or favor any commercial supplier, product, or service.

(6) Contents of all public recognition and sponsor advertising that refer to any part or program of the Army and are otherwise deemed appropriate under the sponsorship agreement, are evaluated locally for proper use of Army logo, slogans, and terminology.

(7) Agreements concerning television and radio broadcast rights to MWR events and associated pre-event publicity are entered into only after coordination with Office of the Assistant Secretary of Defense (Public Affairs) for DOD inter-service events or Office of the Assistant Secretary of the Army (Public Affairs) for Army events. Requests for coordination are submitted to USACFSC (CFSC-SA), 4700 King Street., Alexandria, VA 22302–4417.

(8) The Army will not solicit commercial sponsorship from companies in the tobacco and alcoholic beverage (including beer) business. However, unsolicited sponsorship may be accepted only if such sponsorship is not directed predominantly or exclusively at the military personnel. A responsible use campaign and The Surgeon General's warning will be included in the sponsorship.

(9) The commercial sponsor certifies in writing that sponsorship costs will not be chargeable in any way to any part of the Federal Government. This certification may be a term of the sponsorship agreement or a separate document.

(10) Installations will maintain a record of all MWR sponsored events/programs to include the sponsor's name and organization, type of event/program sponsored, solicitation documentation, type and amount of the sponsor's assistance, funding, goods, or services provided and the disposition and use of that assistance, funding, goods, or services.

(11) MWR management will advise AAFES management of commercial sponsorship proposals and agreements, to ensure that such agreements do not violate existing AAFES policy, understandings, or agreements.

(12) Installations will forward through command channels an annual update of commercial sponsorship to USACFSC (CFSC–SP) not later than 30 October. The update includes—

(a) Value of commercial sponsorship, both cash and merchandise/in-kind services, with the cumulative cash total

provided during the previous FY. Cash and services are broken out by solicited and unsolicited. Unsolicited is further broken out by alcohol, tobacco, and other. USACFSC will issue instructions annually.

(b) A by-name list of the top 25 sponsors and cumulative sponsorship value per sponsor.

(13) Military open house programs are primarily public affairs office (PAO) activities and are not intended as MWR events. This does not preclude MWR involvement if generating NAF revenue is not the primary objective. Commercial sponsorship is authorized for MWR events held in conjunction with open houses only when specifically approved by the installation PAO.

d. Solicited sponsorship is competitively solicited from potential sponsors willing to support a MWR event/program for the mutual benefit of the sponsor and the MWR activity. NAF contracting officials may act in an advisory capacity in developing SOPs, however, they have no approval authority. Locally developed SOPs will include the following requirements:

(1) Solicitations are based on competition and the following principles which are similar to those that guide NAF contracting.

(a) Sponsorship must be competitively solicited.

(b) Solicitations must be announced.

(c) Multiple sponsorship for like or different products and/or services may be solicited.

(d) Evaluation of offers will be based on market value of services, goods, or cash offered. Appropriateness of potential sponsoring corporation may be considered.

(e) A written agreement between the MWR program and sponsor must receive legal review prior to signatures of the two (or more) parties.

(f) Provisions for termination of agreements, force majeure (for instance, acts of God), and assignment will be included in the written agreement.

(g) Written responses to those sponsors not selected must be made informing them why they were not selected.

(h) Performance of sponsor(s) will be monitored during the course of agreement.

(2) Sponsors are solicited competitively from an adequate number of known U.S. sources and generally limited to firms and organizations involved with consumer products. In overseas areas, solicitation of non-U.S. firms is authorized with the commander's approval provided solicitation is not in violation of status of forces agreements or other agreements.

(3) Officials responsible for procurement or contracting will not be directly or indirectly involved with the solicitation of commercial sponsors. Such officials may advise, however, on whether vendors are barred from doing business with the Government. Although NAF contracting officers have no authority to approve commercial sponsorship agreements, they may obligate NAFs in accordance with NAF contracting policies (AR 215–4) in support of the commercial sponsorship program. This provision does not limit the involvement of NAF contract personnel whose function is to administer NAF contracts. The above is applicable to those APF contracting officers who perform NAF contracting functions for MWR programs.

(4) Command authorities, normally the DCA (or equivalent), will designate, by name, and in writing, individual(s) who perform commercial sponsorship duties. The command will forward designee(s) name, address, and phone number to USACFSC.

e. Unsolicited sponsorship is subject to the guidelines outlined for solicited sponsorship, except it does not have to be competitively bid or announced. Unsolicited sponsorship is entirely initiated by the prospective sponsor. Receipt of an unsolicited proposal does not require solicitation of other sources. After an inquiry from a prospective sponsor, command points of contact for sponsorship may inform the prospective sponsors of MWR needs.

f. The DCA (or equivalent) may authorize expense accounts for MWR marketing, sponsorship, and advertising personnel to purchase meals and nonalcoholic beverages in MWR facilities when hosting potential commercial sponsors or advertisers. The expense account is authorized for official business with the potential of benefiting MWR activities. Purchases from non-MWR facilities are not authorized. Expense accounts are not used to purchase alcoholic beverages. The procedures for establishing these accounts are issued separately by USACFSC (CFSC-SA).

g. Commercial sponsorship procedures and key management controls are further detailed from CFSC-SA at the address given in paragraph c(7), above.

7–48. Events

a. MWR events. Installations may periodically conduct special events. Guidelines for special events involving MWR and/or NAF resources follow:

(1) MWR events conducted in CONUS will comply with applicable laws and regulations; events conducted overseas will comply with applicable international treaties and agreements.

(2) MWR events will not selectively benefit or endorse any commercial interest, product, or person. Gifts and donations may be accepted and commercial sponsorship may be solicited in accordance with the policies in this chapter.

(3) MWR activities may operate authorized resale activities and services in accordance with policy in this chapter. If unable to provide resale activities or services, commercial contractors may be used.

(4) MOAs/MOUs with military units or on-post POs or contracts with concessionaires are authorized for the operation of MWR resale booths at MWR events.

(5) At the discretion of the garrison commander, alcoholic beverages procured by MWR activities may be sold at an MWR event by the PO or military units. POs may obtain a share of the profits from these sales. Concessionaires may also contract with MWR to sell MWR-procured alcoholic beverages at MWR events. This may also apply to co-sponsored events, below. (See also para. 7–9*c*(2).)

b. Co-sponsored events. These events are governed by DOD 5500.7-R. If gate fees are charged, MWR will collect and account for all receipts.

c. Installation/community relations events. Installation open houses and related events are primarily public affairs events, designed to share information about military missions, equipment, facilities, and personnel with local or regional communities. MWR activities may participate in community relations-public affairs open houses/events, as long as generating NAF revenue is not the primary objective of the open house/event. This will not preclude MWR activities from selling food and beverages and mementoes commemorating the event.

7–49. MWR operating hours

Operating hours will respond to market demand as determined by community needs assessments.

7–50. Customer complaints

NAFI fund managers will use their discretion in the settlement of customer sales and service complaints by cash payments, service, or replacement in kind. Assistance of MWR activity managers and JAs will be requested, as necessary. Any claims of this nature that cannot be satisfactorily settled in this manner, or any claims which include a demand for consequential damages, such as personal injury or property damage other than that to the article purchased or serviced, will be processed per AR 27–20, chapter 12. (See para G–8, pertaining to customer returns.)

GRATUITOUS SERVICE AGREEMENT

I desire to volunteer my services to Youth Services at Fort Wyoming (or unit, etc.).

I expressly agree that my services will be performed without pay, and that I will not, solely because of these services, be considered an employee of the United States Government or any instrumentality thereof. I expressly agree that I will neither expect nor demand any present or future salary, wage, or related benefits as payment for gratuitous services. I agree to participate in whatever training may be required in order to perform the gratuitous work which I am providing.

(Signature)
(Typed or printed name and signature of individual providing gratuitous services and date)

(Typed or printed name and signature of accepting official and date)

Figure 7–1. Sample of a Gratuitous Service Agreement

GRATUITOUS SERVICE PARENTAL PERMISSION AGREEMENT

I, Lisa Oliff, parent, give my permission for my daughter, Louise Oliff, to provide gratuitous services at the Youth Services Center during the week of 12-16 August 1995, from 12:00 noon to 4:00 pm.

I understand that these services will be performed without pay and that she (or he) will not, solely because of these services, be considered an employee of the United States Government or any instrumentality thereof. I expressly agree that I will neither expect nor demand to receive any present or future salary wages, or related benefits on my child's behalf as payment for any gratuitous services.

(Signature of Parent or Guardian and Date)
(Typed or printed name and signature of accepting official)

Figure 7–2. Sample of Gratuitous Service Parental Permission Agreement

Chapter 8
Military MWR Programs

Section I
Operations

8–1. General program operations

MWR activities operate as one of the three MWR categories (A, B, or C). Support authorized for each category is explained in chapter 4 and appendix D. Guidelines found herein, and issued separately for specific activities are used to manage MWR operations. All operations overseas are subject to status of forces agreements and other applicable international agreements.

8–2. Cash inventory and retail sales accountability

Additional sales accountability, cash, key, inventory, and other controls are at appendix G.

Section II
Description of military MWR activities/operations

8–3. Amusement/vending machines

a. Description. The term "amusement machine" as used in this chapter does not include slot machines, other mechanical, electrical, or electronic machines that enable players to receive monies. This section does not apply to any machines operated by ARMP (see para 8–4). For applicable Randolph-Sheppard criteria, see AR 210–25.

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

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

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

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

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

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

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

(2) Another method is to inventory products placed in the machines at sales value. When machines are restocked,

the value of the restocked merchandise at sales price is equal to the expected cash receipts. Actual cash collection adjusted for refunds because of malfunctioning machines is compared to expected receipts and any significant variances investigated.

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

(b) If additional collections are needed, the DCA determines the frequency based upon:

1. Keeping accumulated receipts to a minimum.

2. Anticipated sales.

3. Risk factor for loss of receipts.

4. Insurance factor.

5. Collection costs in personnel and time.

6. Interest earned on money deposited.

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

(4) The DCA (or equivalent or delegatee) maintains an inventory of NAFI-owned and concessionaire-owned machines and State-licensed operations (AR 210–25), to include the serial numbers and location of each machine. Records are updated when machines are changed or rotated. Inventories are confirmed by IMWRF personnel on a random, periodic basis. A machine is never removed, rotated, or substituted without approval or before a final cash collection is made. The cash collection team always has a current inventory.

(5) DA Form 4083 (Vending or Amusement Machine Collections) is used to document cash collected in accordance with DOD 7000.14, volume 13.

(6) If the actual cash varies from the meter readings, the concessionaire and NAFI observer check for mechanical malfunction or tampering. If this does not resolve the discrepancy, the disputes provision of the contract governs.

(7) Receipts are divided at the time of collection between the activity representative and the concessionaire, based upon the percentage established in the contract.

(a) Machine inventory records are the basis of payment. For example, $X per machine, per month or more frequently, consistent with the collection schedule.

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

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

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

8–4. Armed Forces Recreation Centers (AFRCs)

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

b. Facilities.

(1) AFRCs include—

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

(b) Hale Koa Hotel, Honolulu, Hawaii.

(c) Dragon Hill Lodge, Seoul, Korea.

(d) Shades of Green, Orlando, Florida.

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

(a) It must be centrally managed and operated by the Department of the Army (USACFSC).

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

(c) It must operate under the mission requirements contained in para a, above.

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

(4) AFRC facilities may provide a broad range of MWR programs and services similar to those provided on an

installation. Individual programs and services operated by AFRC facilities will retain the appropriate MWR categorizations per this regulation and OSD policy (DOD Instruction 1015.10). Title 10 USC 2491b provides specific APF authorizations for the Edelweiss Lodge and Resort.

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

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

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

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

(a) Resale activities which may include alcoholic beverages by the drink, tobacco products in less than carton quantities, essential toilet articles, magazines and newspapers, and promotional and souvenir items.

(b) Contracted entertainment and concessionaire services in accordance with AR 215-4 and this regulation.

(c) Check cashing and currency conversion services to authorized patrons.

(d) Credit to registered guests, payable in full prior to checkout or through commercial credit card services.

(e) Recreational equipment operations, including vending and amusement machines, using equipment purchased or leased.

8–5. Army Recreation Machine Program

a. Description. This section applies to ARMP-operated recreation and amusement machines as well as other equipment owned by ARMP. The ARMP may install and operate amusement machines in MWR activities at the request of garrison commanders. Guidelines and distribution of funds resulting from amusement machine operations are outlined in an individual MOA between the USACFSC and the installation. The ARMP program authority for recreation (slot) machines is based on centralized policy, management, administration, operation, and control by DA. Direction and management supervision of all Army recreation machine operations are vested in the ARMP, a USACFSC element. The general manager of the Army Recreation Machine Program is considered a garrison commander and fund manager for the purpose of this regulation.

b. Guidelines.

(1) Recreation machines may be installed and operated in overseas MWR activities unless prohibited by local laws, SOFAs, or other local agreements.

(2) Non-ARMP recreation machines are prohibited on Army installations, including machines installed by contractors, or subcontractors during fests or other special activities.

(3) The ARMP machines and equipment are owned and maintained by ARMP. No other activity contracts for the provision or maintenance of ARMP property, under any circumstance.

(4) An average of 93 percent of machine play is returned to patrons as payouts.

(5) The NAFI retains 10 percent of gross revenue at the time of the cash collection to offset program operating expenses. This is treated as revenue to the administrative department of the NAFI where the machines are located.

(6) Standard operating procedures (SOP) governing ARMP operations are developed and published by ARMP and are binding on all ARMP employees and program participants.

(7) Machines may be installed in category C activities when patron support exists. The ARMP, in conjunction with the field office (FO) manager and local command, determine suitable new locations and the feasibility of operations at selected sites. When installation is warranted, these parties determine numbers and types of machines to be installed. Adjustments are determined by mutual agreement, if possible, based on demonstrated play history and prudent business practices. If the average win per machine at a location does not equal minimal performance, as described in ARMP SOP, the location is considered for reduction/removal of machines or change of variety. If local disputes arise between the activity manager and the installation regarding the correct number and/or variety of machines, the ARMP general manager intervenes. If the general manager cannot settle the dispute, final determination is made by the USACFSC in consultation with the IMA Region. Machine moves and/or removals are done in accordance with the ARMP SOP.

(8) Authorized/unauthorized recreation machine players are—

(a) Authorized adult patrons and bona fide guests of the MWR activity who may play machines.

(b) The following may not play—

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

2. Persons under 18 years of age, except active duty military.

3. ARMP employees and their families.

4. MWR activity managers, management employees, and their families in the facility where employed, where sponsor is employed, or in a facility managed/supervised by an individual (e.g., DCA in MWR facilities).

5. Nonmanagerial MWR activity employees and their families in the facility where employed.

6. Others prohibited by the IMA Region, garrison commander, or representative.

(9) The use of multiple keys to access machines is an integral part of the ARMP management control system. The multiple key/participant process is the primary factor in safeguarding funds and limiting the possibility of waste, fraud, and abuse. It is used at all times when machines and stands are entered. All participants are briefed before reporting for duty, including review of the ARMP SOP and applicable parts of appendix G of this regulation.

(a) The responsible commander (or delegatee) designates a key control custodian. Key control procedures are strictly enforced at all levels. Keys are locked in secured key containers when not issued, are signed for when issued using a key control register, and are not kept overnight by individuals. The following keys are used—

1. The MWR activity machine door key used during machine maintenance opens one of two locks located on the machine door.

2. The ARMP machine door key for the second lock on the machine door which is used at the same time as the MWR activity machine door key.

3. The command stand door key used during cash collection opens one of the two locks located on the stand door.

4. The ARMP stand door key, the second key needed to open the stand door, is used simultaneously with the command stand door key to open the door.

5. The FO coin drop box key is used to remove the coin drop box from the stand and to open the box after it is taken out of the stand.

6. Duplicate keys for the ARMP, the activity, and command are secured and controlled separately from the working key used to support machine operations.

(b) Lost keys are reported immediately to the ARMP FO. Proper authorities conduct investigations of loss in accordance with chapter 13 of this regulation, and a copy of the final report is forwarded to the ARMP. Machines may be shut down until locks are changed by the ARMP. Command and activity representatives witness the changing of locks. The NAFI incurs all costs related to replacement of locks or keys if the loss results from negligence or poor key control.

(c) The ARMP inventories all keys semiannually. The ARMP controls hand receipts; accountable parties update hand receipts every 6 months.

(d) The local command provides an independent inventory team every 2 years for a key inventory.

(10) Cash is collected by a cash collection team that includes a representative from the activity and the ARMP. (Under no circumstances are cash collections to be conducted unless all representatives are present.)

(a) Normally, cash is collected once weekly. Based on volume of play at the activity, collection frequency is adjusted at the discretion of the ARMP in coordination with the local commander. ARMP FO managers establish and coordinate all collection schedules with activity managers and commanders who make facilities and representatives available.

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

(c) Monies collected are not counted or rolled in the presence of patrons. Machine areas are closed to patrons during collection either by closing the room or roping off the area. If this is not possible, collections are made during nonoperating hours. For currency counts, the MWR representative must provide a lockable secure area for counting currency that prevents access by anyone other than the collection team

(d) The following are required for cash deposits:

1. The machine activity report (see ARMP SOP) for calculation of drop and receipt of funds from the ARMP collector is signed by the activity.

2. The amount of deposit is imprinted on sequentially numbered ARMP bank deposit slips with an inked stamp or check writer and appropriate copies are retained by the ARMP collector. Both collection team members verify and initial the deposit slips.

3. The activity deposits ARMP funds no later than 1 working day after the collection.

4. An armed guard escort makes deposits in excess of $5,000 (see app G).

5. In exceptional cases, as approved by the ARMP general manager, ARMP staff may make bank deposits using procedures specified by the Chief Operating Officer and ARMP Comptroller.

(e) All original collection and deposit documents are forwarded to the ARMP office.

(f) All keys are returned to the key control custodian prior to the end of each day.

(g) The local command will provide command representatives for periodic cash collection observations. Observations should be made at least once per quarter at selected locations. The local command will coordinate with the local

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

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

(11) The ARMP FOs schedule machine maintenance and coordinate with activities. Maintenance is based on a route system; activity managers ensure that facilities and facility representatives are available when maintenance is scheduled. The activity manager notifies ARMP personnel immediately when there are any existing or potential machine problems and when facility renovations, closures, or reopenings are decided upon.

(a) The MWR activity does not shut down machines except for a malfunction, short payout to a customer, an emergency, or at the direction of the ARMP FO manager.

(b) Activity and ARMP representatives will be present at all times. During preventive or extended maintenance when hopper funds have been secured and the activity representative cannot accompany the technician or is called away, machines are locked and maintenance stops until the activity representative returns.

(c) The ARMP technician records meter readings, type of malfunction, and the extent of repairs per the ARMP SOP. The activity representative verifies this information and signs the form.

(12) ARMP accounting, cash collection, and maintenance functions are segregated from those of other activities.

(13) The USACFSC provides a quality assurance/management review program to detect, deter, and prevent fraud, waste, and abuse. The assurance/management review program strengthens management and operational practices and ensures effective management controls.

(14) In the event of machine malfunctions—such as, when a machine tilts during payout or accepts a patron's coin without permitting play, the activity representative puts the machine out of service and verifies the patron's claim. The malfunction patron payment voucher (MPPV) is completed (with required witness and signatures) in accordance with the ARMP SOP and the patron is reimbursed from the activity's recreation machine change fund. (Other activity operating funds are not used to reimburse patrons.) The completed MPPV is kept with the activity's machine change fund records until the activity is reimbursed during subsequent cash collections. The activity is not reimbursed for incomplete MPPVs or for incorrect overpayments. In the event of amusement machine malfunction—such as coin jam or accepting coin without permitting play—the activity representative verifies the patron's claim and puts the machine out of service. The Refund Voucher for Malfunctions (RV) is completed per ARMP SOP and the patron is reimbursed from the activity's change fund. The completed RV is kept with activity change fund records until the activity is reimbursed during subsequent cash collections. The activity is not reimbursed for incomplete RVs or incorrect overpayments.

(15) ARMP asset accountability:

(a) The U.S. Army NAF Risk Insurance Management Program (RIMP) insures ARMP assets and funds (hopper, drop cash box, and deposit monies) against loss or theft. ARMP employees report all losses (or claims) to the RIMP in accordance with chapter 14.

(b) DA Form 2062 (Hand Receipt/Annex No.) or equivalent form is used to account for property. The DCA (or equivalent) or representative hand receipt ARMP property. The ARMP keeps the original copy; the duplicate remains with the appropriate holder. When hand receipt holders change, a joint inventory is conducted before the property is transferred to the new hand receipt holder.

(c) No ARMP machine is moved without written approval from the ARMP FO; an ARMP representative controls any machine moves.

(d) Physical inventories are conducted annually by inventory teams appointed by the commander, as required.

(16) Managers of activities with ARMP assets will—

(a) Appoint and train representatives to participate in cash collection and maintenance observation. Representatives are briefed on responsibilities, including review of SOP, before reporting for duty.

(b) For each location, provide and maintain initial change funds and subsequent increases/decreases in amounts not less than 1 week's average play. (The change fund should be kept at 120 percent of 1 week's play to have funds necessary for increased play.)

(c) Keep machine areas clean and attractive and regularly clean machine exteriors.

(d) Ensure that there is sufficient cash to make required cash deposits to ARMP accounts.

(e) Ensure that coins (in full rolls or less) are sold to patrons on request and that coins accumulated by patrons from play are exchanged for cash on request.

(f) Control and safeguard all recreation machine keys.

(g) Monitor ARMP property operating hours to avoid possible abuse.

(h) Safeguard and prevent unauthorized access to machines. Coordinate with supporting provost marshal for periodic physical security and crime prevention surveys.

(i) Ensure that vouchers are completed in accordance with ARMP SOP.

(j) Notify the ARMP FO when cheating or improper use of machines is suspected.

(k) Be responsible for the cost of repairing ARMP property damaged due to inadequate oversight; negligence; improper use; not following procedures; or machine abuse by players—such as, might result from broken glass on machine, for example—is repaired. The cost of the repair will be charged to the activity.

(17) The ARMP Operations Fund is the fiscal entity associated with day-to-day program operations. Accounting functions for this fund are performed by ARMP headquarters.

(18) Net income is administered and distributed by the Army Recreation Machine Trust Fund (ARMTF).

(a) Normally, net income is distributed monthly, based on profits recorded for the preceding month, and is allocated as follows—

1. Forty percent of net income to DA.

2. Thirty percent of net income to the participating IMA Region. Thirty percent of net income to the garrison unless otherwise specified by the IMA Region, operating agency, or participating communities.

(b) Income distributions and other financial arrangements involving the other Services are governed by separate MOAs with the Service involved.

(c) Distributions equal to profits credited for the preceding month occur when the ARMTF monthly financial statements are published and are effected through the Army Central Banking and Investment Program or other appropriate distribution system. No restrictions are placed on the use of this distribution; it is recorded as revenue in the administration department of Army IMWRF or AFRCs.

(d) The ARMP is audited annually in accordance with DODI 7600.7.

(19) Separate accounts are maintained by the ARMTF and the ARMP Operations Fund at the central bank. All recreation machine money is transferred periodically to the ARMP Operations Fund central bank account from the collection points in order to maximize use of available funds. Interest earned by the two funds is treated as program revenue and considered in the calculation of its net income.

(20) Amusement machine operations are centrally managed and Army operated. Amusement machine services include purchase of the latest industry amusement games, on-site management and maintenance, cash collections, internal controls, and shared revenues. Expense of operating the program is borne by the Army Recreation Machine Program. The installation is required to provide command support, market data, facility locations for game placement, office space, staff support, and phone lines.

(a) An MOA delineates both USACFSC and installation requirements for successful Army-operated amusement machine operations.

(b) A partnership with AAFES at selected installations increases potential for operations at installations where MWR operations alone are not financially supportable. The combined MWR/AAFES amusement machine operations offer potentially favorable return on investment.

(c) Participation in the Army's amusement machine operations is based on case-by-case business-based analyses of installation's vendor-operated amusement machine operations versus Army-operated amusement machine operation potential. All Army installations, as well as other military Services may participate. Direct inquiries and requests for Army-operated amusement machine operations to Army Recreation Machine Program, ATTN: Chief Operating Officer, Box 13639, Fort Carson, CO 80913.

8–6. Arts and crafts

a. Description.

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

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

b. Guidelines.

(1) Arts and crafts community workshop core activities are organized based on their relationship to raw materials, technical processes, the mastery of specialized techniques, and the use and handling of specific tools and equipment.

(2) Arts and crafts activities offer opportunities to develop both mind and hand in the creation of objects for personal use and also the sense of self-fulfillment. Facilities are not used, in any way, with the intent of personal profit or to support a private business or other non-government organization.

(3) Basic core activities detailed in program guidance issued by the USACFSC include—

(a) Drawing and painting.

(b) Photography.

(c) Woodworking and industrial arts.

(d) Art metal and jewelry.

(e) Pottery and ceramics.

(f) Fibers, decor, and special crafts.

(g) Sculpture and 3-D design.

(4) A variety of structured programming methods is used to stimulate self-help efforts, including—

(a) Formally scheduled classes. Instruction is scheduled two or more months in advance and designed to interest groups of individuals.

(b) Individual instruction and assistance.

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

(d) Group workshops/seminars of special interest.

(e) Contests to recognize individual talent/skills.

(f) Rotating exhibits of patron and recognized artists' work displayed in arts and crafts centers or other prominent locations.

(g) Specialty programs, craft fairs, festivals, art shows, and related tours/field trips to enhance community life.

(h) Self-directed, open shop use of equipment, tools and workspace, independent of professional staff instruction. (Supervisory personnel may be consulted only for advice or assistance.)

(5) Installation health/safety precautions and practices are adhered to as prescribed in installation and Army guidance; safety practices and environmental standards are followed in accordance with installation and Army waste management policies.

(a) Staff instructors monitor and enforce all health/safety regulations.

(b) Directors serve as consultants to help select tools, materials and activities that are compatible with participants' maturation level and sound health and safety practices.

(6) Support of Army medical, educational, environmental programs and other Army non-MWR functions is authorized.

(7) A soldier representative of units may be appointed to provide trophies, picture frames, and other needs. Customary fees for materials are paid.

(8) Normally, activities for youth are different from and not compatible with activities for adults; specialized programs designed for youth are conducted separately to accommodate developmental levels, motor skills, and maturation rates.

(9) Craftmobiles equipped with craft materials, tools, and supplies support field training areas and personnel at isolated or remote locations.

(10) Before using power tools/other specialized equipment, patrons will demonstrate proficiency (proper and safe operation) to the satisfaction of the instructor or manager. A DA Form 3031 is issued to the patron when proficiency is established and a record is kept at the center. Specialized work areas and equipment are available only when qualified staff is present to enforce health/safety practices.

(11) Specialized merchandise of supplies, component parts, and related materials needed for the fabrication, construction, or repair of personal projects may be sold.

(12) Staff members will not accept payment, including payment of gratuities, for personal service or work done by staff members. Payments for goods and services are paid only to the activity.

(13) Fees and user charges are imposed for certain operational functions, including—

(a) Use of ceramic molds, ceramic firing, lockers, and specialized tools.

(b) Registration for workshops, classes, exhibits, competitions, crafts fairs/festivals, and other programmed events.

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

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

(14) Data required locally for installation MWR five-year planning/triennial needs assessment are maintained (see chap 10). At a minimum, category of users (civilian, military, family member) by program function used and hours of participation are maintained routinely.

c. Army contests.

(1) Major Army contests described below are judged in two groups: Group I is for novice or amateur participants; Group II is for accomplished or experienced participants. Eligible patrons participate at installation, IMA Region, and Army levels. Installations that do not have access to a IMA Region level contest may forward winning entries directly to the Army level for interim level judging.

(a) The Art Contest is conducted every 2 years during odd-numbered years in accordance with USACFSC guidance. DA Form 4975 is the entry form. Judging categories are: Drawings (pencil, brush, pen and ink, crayon, chalk,

scratchboard); prints (etchings, lithographs, lino-cuts, wood blocks, silk screen); water base painting (acrylic, water color, gouache, tempera); oil base painting; and mixed media.

(b) The Designer Crafts Contest is conducted every 2 years during even-numbered years in accordance with USACFSC guidance. DA Form 3542 (Army Designer Crafts Contest) is the entry form. The judging categories are: ceramics, wood, metals, fibers and textiles, glass, and letters.

(c) The Photography Contest is conducted annually in accordance with AR 28–3 technical rules, which are used exclusively for eligibility in the biannual Interservice Photography Contest. Entries are judged in two divisions to facilitate the Interservice Photography Contest form: active duty soldiers and other eligible participants.

(2) U.S. Government Bonds are awarded for Army level competition—

(a) First place—$300 U.S. Savings Bond.

(b) Second place—$200 U.S. Savings Bond.

(c) Third place—$100 U.S. Savings Bond.

8–7. Automotive skills

a. Description. The automotive skills program offers facilities, equipment, technical instruction, skilled assistance, and problem solving services. Industrial/vocational experiences offer a self-help alternative to commercially available repair garages. Patrons reduce their automobile repair costs through hands-on participation in mechanical processes and develop skills which sustain morale, enhance self-development, and expand recreational opportunities. Performing incidental repairs and maintenance for a fee may be done as a resale operation of the automotive skills program. Such incidental repair services may be established on a space available basis and when it does not interfere with use of the skills program. If demand exists beyond incidental repair and maintenance, a separate category C automotive service garage may be established under the resale policy in paragraph 7-2*c*(2) and in accordance with appendix D (table D-1).

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

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

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

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

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

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

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

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

(3) Automotive skills centers have four distinct functional work areas, at a minimum:

(a) A general repair area with a minimum of 55 percent of the bays equipped with installed vehicle lifts.

(b) A tool and equipment issue and control room with secured storage for hand and power tools, supplies, and materials.

(c) A room or area for machine tool and bench work space, separated from areas with movement of vehicles.

(d) A technical reference area where computers, fiche, and print material are used.

(4) Administrative control areas are centrally located in the facility or co-located in a manner which has visual access to operational areas. Facility design suggestions are included in Design Guide (DG) 1110–3–126, Design Guide for Automotive Crafts Centers, available at www.usace.army.mil or through U.S. Army Corps of Engineers, Publication Depot, 2803 52nd Avenue, Hyattsville, MD 20781–1102.

(5) The construction, repair, or maintenance of military equipment, GSA vehicles, and all other APF furnishings and vehicles, is prohibited.

(6) Authorized use criteria.

(a) Procedures are established to ensure that owners accompany their vehicles at all times while the vehicle is in the facility.

(b) Facilities and installed shop equipment may be used to repair and maintain NAF vehicles which are IMWRF property, only during non-peak hours of operation. This will not interfere with self-help activities. All associated costs are charged to the work center account of the MWR activity to which the vehicle is assigned. The tasks of repair,

maintenance, diagnosis, inspection, and modification are done by personnel paid from IMWRF accounts other than the IMWRF automotive skills program accounts. Staff personnel may inspect and advise on the technical aspects of the work.

(c) Vehicles or boats in the facility must be State registered in the name of the user or a member of the immediate family.

(d) Youth under age 14 are accompanied by a responsible adult, unless they are enrolled in a program designed specifically to meet their developmental level (motor skills and maturation rate).

(7) Resale may include related materials, supplies, and component parts needed for the fabrication, construction, or repair of personal projects and vehicles.

(8) When classes do not interfere with the normal automotive skills programs, continuing education classes or similar skills developing programs may be offered for a fee to authorized patrons.

(9) Staff members will not accept payment, including payment of gratuities, for personal service and repairs. Payments related to goods and services are paid only to the activity. Fees and charges for technical services and shop use may be collected regardless of the status of the staff member performing the service. Examples of authorized fees and services include—

(a) Diagnostic services, engine analyzers, meters and computer information retrieval system.

(b) Registration for workshops, classes, exhibits, competitions, car shows, and other programmed events.

(c) Fees for the use of vehicle lifts, disc drum lathes, wheel balances, valve grinders, tire balances, wheel alignment equipment, spray booths, battery chargers, lockers; automobile storage lots; and welding equipment and other specialized machinery. Equipment listed as technical and/or safety restricted (fig 8–1) and optional (fig 8–2) does not affect the application of a user fee nor does it control whether or not there are user fees for other equipment within the automotive skills center.

(d) General and specialized repair bays, car wash facilities, and vacuum equipment.

(e) Parking and storage of authorized POVs.

(f) Use of and purchase from OCONUS automotive skills stripping yards. (Not authorized in CONUS.)

(10) Automotive skills personnel may perform services only when all of the following conditions are met:

(a) Patron/user is within the automotive skills facility when and where service is performed.

(b) The service/process is approved by the garrison commander (or delegatee) as an authorized service and is listed on the fee chart displayed in the shop.

(c) The service/process is classified as technical and/or safety restrictive. Figure 8–1 lists equipment which is operated only by trained automotive skills personnel. The manager may restrict use of additional equipment to use only by automotive skills staff personnel as determined by equipment and trained staff availability at the installation.

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

Figure 8–1. Technical and safety restricted list

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

Figure 8–2. Optional technical and safety restricted list

(11) At the discretion of the automotive skills manager, hands-on operations are authorized to specific patrons for the process in figure 8–2.

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

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

(14) Neither facilities nor equipment are used with intent for personal or commercial profit.

(15) Operating personnel are provided means whereby users may identify them as staff.

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

(17) Category C automotive service garages may be estalished only after complying with the resale policy in paragraph 7-2*c*(2), where there is a market demand, and an assessment confirms viability. Additional operational guidance will be issued by USACFSC.

8–8. Bingo

MWR activities may sponsor or conduct bingo games for entertainment and to raise funds for the sponsoring NAFI, subject to the following:

a. Operations in CONUS conform to State and local requirements, unless conducted on an installation under exclusive Federal jurisdiction. Overseas, international agreements apply.

b. Participation is limited to authorized MWR patrons and bona fide guests, within the following parameters:

(1) Volunteers serving as callers or monitors, MWR managers, the DCA (or equivalent) direct line supervisors, other employees of the sponsoring activity, and their immediate family members may not play.

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

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

c. Prizes are subject to the following guidelines.

(1) Bingo prizes may consist of cash or merchandise. The annual value of bingo prizes cannot exceed 90 percent of the sponsoring activity's projected annual income. Other expenses are limited to not more than 10 percent of income. At a minimum, bingo operations break even. Accounting procedures, to include accrual of bingo prizes, are in DOD 7000.14–R, volume 13.

(2) Cash prizes are paid from a bingo cash prize fund. The DCA or equivalent determines the size of the fund. Cash prizes for a single game totaling more than $2,500 are awarded by check, or by combination of cash and check (cash payment is limited to $2,500).

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

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

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

(6) Verification and distribution of prizes

(a) Winners will present their winning card(s) to the cashier for verification. Winners will sign their name and provide their social security number and/or other required identifying information on the Bingo Activity Sheet.

(b) In the case of paper bingo cards, particularly in cases of multiple winners, each winner will write their name, social security number, the dollar amount or description of the prize won, and sign their name on the back of their paper card. Other identifying information may be required. Guests of patrons who are not already verified as authorized guests will include this information for their sponsor. All winning cards, after verification of the win, will be turned into the bingo payout cashier who verifies that the information above is listed, and checks that the amount/item of the prize is correct. Payout may occur after either floor verification or cashier verification. For cash prizes, the cash total of all winning cards is reconciled with the bingo petty cash voucher and the Bingo Activity Ledger. The winning cards are attached to the bingo petty cash voucher or other official document.

d. Advertisements and other bingo-related information are not mailed through the U.S. mail unless bingo is authorized or not otherwise prohibited in the State where it is held.

e. Cash received during bingo programs is controlled and accounted for as follows:

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

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

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

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

(c) At the end of the bingo program, the MWR activity manager, or a designated representative, reconciles cash receipts, less cash payoffs and expenses, with the cash register tape and reconciles the tape with the number of tickets or guest checks issued. Discrepancies are noted and explained in writing, after which the Bingo Activity Report is prepared in accordance with DOD 7000.14–R, volume 13.

f. Private organizations may conduct bingo games in MWR facilities under provisions of DOD 5500.7. When so authorized, the organization operates the games, including card sales, cash control, and prizes. The MWR activity bingo caller may call games. Private organizations will adhere to management controls applicable to bingo operated by the MWR activities.

8–9. Bowling

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

b. Guidelines.

(1) Bowling lanes, automatic pinsetting machines and related equipment, such as lane maintenance machines, pin cleaning equipment, and ball drilling equipment, will be installed, repaired, and maintained in accordance with the American Bowling Congress (ABC) and Women's International Bowling Congress (WIBC) certification specifications and standards.

(2) The ABC, WIBC, or the Young American Bowling Alliance, as appropriate, will sanction leagues. Tournaments will conform to the rules and regulations of the sanctioning body.

(3) A record of pinsetter meter readings for each lane shall be maintained. Lines are accounted for as bowled, warm-up, mechanical failure or testing, or walk-a-ways (left without paying). Lines bowled and paid are reconciled to lines bowled and cash received. Records of lines lost due to mechanical failure or testing are kept by the cashier and pinsetter repairers. Any differences are explained.

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

(5) Bowling managers may have monthly expense accounts to assess market trends in the bowling industry. Policy outlined in paragraph 8–16 for military club managers' personal expense accounts applies to bowling managers.

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

8–10. Casino games

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

a. Plans for casino events will be submitted to the installation SJA in a timely manner for full review. Casino games conducted in CONUS conform to State and local requirements, unless conducted on installations under exclusive

Federal jurisdiction. The use of slot machines or roulette wheels is prohibited in CONUS. Overseas, international agreements apply.

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

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

d. An MWR activity may conduct up to four casino events a year. IMA Regions overseas may establish higher limits as necessary to meet customer demands. Private organizations, when authorized under the provisions of DOD 5500.7, may conduct one casino event a year. When a private organization sponsors a casino event, it will repay the host MWR activity for all expenses; the organization retains only earnings, less the amount to cover MWR expenses. If the MWR activity operates food and beverage sales, then the MWR activity retains all income from such sales.

e. Reputable and experienced persons conducting casino games are contracted by the MWR activity or employed as authorized by AR 215–3.

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

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

8–11. Child Development Services

CDS includes full-day, part-day, and hourly child care programs operated in accordance with the Military Child Care Act (Pub. L. 101–189) and AR 608–10. Delivery systems include—

a. Child Development Centers (CDC).

b. Family Child Care (FCC) homes within government quarters.

c. Supplemental Program and Services augment and support CDCs and FCC home programs and may include the School Age Services (SAS) program.

8–12. Entertainment (performing arts)

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

b. Guidelines.

(1) *General.*

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

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

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

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

(2) *Musical activities.*

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

(b) Copyright and Royalty Clearance policy in this chapter is used for all music events.

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

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

(e) Activities not operated in community complexes.

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

2. Showmobiles are designed and equipped to transport and present musical and theatrical productions in field training areas or other locations.

(3) *Special events.* Special events are large-scale activities for the entire community. Expertise in entertainer

selection and logistical coordination of special events is an integral function of the entertainment program. Events include but are not limited to—

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

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

(c) Posting IMA Regions and DA-sponsored events which showcase talents of Army personnel. (Logistical requirements for DA-sponsored events are issued by USACFSC.) Army-sponsored events include—

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

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

3. The All-Army Soldier Showband "USA EXPRESS," selected from the Army's Battle of Bands, which is comprised of active duty soldiers, tours Army clubs. The Army entertainment program manager is responsible for logistics.

(4) *Theater activities.*

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

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

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

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

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

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

(g) Organizational memberships in recognized professional organizations for staff development are in accordance with chapter 4. If organizational memberships are required for entry into national level competitions, the installation budgets for and funds membership fees for the organization and related expenses.

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

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

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

(c) Commercial entertainment contracts will clearly state that the producer is responsible for obtaining all copyright clearances and paying all royalty, rents, and related fees unless otherwise specified. The entertainment program manager, or facility manager for performances conducted at any other installation facility, ensures that the producer holds all necessary clearances and licenses and that terms and conditions permit performance on the installation. Copies of all copyright clearances or licenses are forwarded to USACFSC (CFSC-SF-E) no later than 6 weeks prior to the scheduled performance.

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

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

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

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

4. A detailed request for permission to film, record, or duplicate copyrighted works must be forwarded to USACFSC no later than 4 months prior to the proposed filming, taping, or recording date. Requests must include all information that is pertinent to the request.

(e) Clearance procedures are explained in appendix H.

(f) Copyright restrictions exist. Numerous copyright owners occasionally make copyrighted works available to entertainment program activities at substantial discounts or on a royalty-free basis. Works obtained under noncommercial utilization or on a royalty-free agreement may require a clearance. A work offered in the past as royalty-free may have changed status. A clearance is submitted to USACFSC in all cases regardless of what one source may state.

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

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

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

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

8–13. Entertainment, commercial

Professional entertainment, which meets the standards of this regulation and the military community, may be booked. Since a commercial entertainer is usually available through only one agent, and because the selection is based in large part on customer preference, commercial entertainment is purchased without procurement competition. Performers, shows, or acts that are known to have given offense to any racial, ethnic, or religious group, or entertainers who are attired in a manner that may offend members of the audience are not booked. Female topless and female and male bottomless entertainment is prohibited.

a. Contracts.

(1) Verbal contracts are prohibited.

(2) The DCA or equivalent may approve commercial entertainment contracts in amounts not to exceed $25,000. The garrison commander (may be redelegated) will approve commercial entertainment contracts in amounts which exceed $25,000.

(3) Entertainment contracts are issued in accordance with AR 215–4 by NAF contracting officers unless costs exceed the NAF contracting officer's authority.

(4) When required by State or local laws, contracts are negotiated only with licensed agents.

(5) Entertainers do not receive free food, beverages, lodging, transportation, or other considerations unless specified in the contract as part of this remuneration.

(6) A contract will not be entered into between an MWR activity and a Government employee or any organization substantially owned or controlled by one or more government employees, unless the activity's needs cannot otherwise reasonably be met. The Joint Ethics Regulation (DOD 5500.7–R) and AR 215–4 apply.

b. Other requirements.

(1) Copyright clearances are obtained before the performance date, as prescribed in this chapter.

(2) When practical, performers are auditioned by activity managers at no cost to the MWR activity.

(3) Performances are monitored by the manager on duty. A written evaluation of each act is submitted to the contracting officer and serves as the CAO receiving report.

(4) Payment.

(a) When the entertainment contract specifies that entertainers are to be paid immediately after a satisfactory

performance, checks are issued by the CAO in advance and held by the responsible manager until entertainers have satisfactorily completed the performance.

(b) All or part of a payment may be withheld in the event of substandard or objectionable performance or other contract violation. The contracting officer and SJA are consulted immediately. Every effort is made to negotiate a settlement before payments of any kind are made.

(5) Garrison commanders shall be advised of incidents or acts by performers that may attract unfavorable comment, controversy, or publicity. On the first working day following the incident, the responsible manager shall provide a report that specifically addresses the following:

(a) The nature and extent of substandard or objectionable performances or other contract violations.

(b) Offers of gratuities or bribes, if applicable.

(c) If applicable, references made by performers that may offend followers of any faith, acts, gestures, or remarks that tend to mock physical handicaps or that ridicule the U.S. Government, the military Services, any individual or racial, religious, ethnic, or national group.

8–14. Golf

a. Description. The Army golf program offers recreational golf, open play, tournaments, and services such as golf instruction, golf resale, food and beverage services, and other golf-related activities for eligible patrons.

b. Guidelines.

(1) Army golf courses in the United States are rated by the United States Golf Association (USGA); handicaps are computed in accordance with the USGA system.

(2) Appropriate local procedures are established to reserve a reasonable number of weekend, weekday, and holiday starting times for active duty and RC soldiers.

(3) Local provisions for storage and use of privately owned golf cars are approved by the garrison commander (or delegatee). The following conditions apply:

(a) Owners carry liability insurance for golf car use and storage and sign a liability release. A copy of the insurance policy and liability release are kept on file at the golf course. Failure to retain adequate and current coverage results in removal of the golf cars.

(b) Privately owned cars are not repaired or maintained by golf course employees.

(c) Fees and charges are prominently displayed. Posted storage charges are assessed to offset any expenses incurred. Trail fees are charged to each user, owner, or driver; additional charges for guest riders are at the discretion of the garrison commander. Storage and trail fees may be waived for disabled individuals who must use golf cars modified specifically to accommodate their disability.

(4) Golf managers may have monthly expense accounts to assess market trends in the golf industry. Accounts must be reasonably related to the needs of the NAFI. Policy outlined in paragraph 8–17 for military club managers' personal expense accounts applies to golf managers.

(5) At the discretion of the garrison commander (or delegatee), the DCA and COD chief, or equivalent counterparts, golf course managers, and their full-time assistants may be exempted from paying greens fees. This exemption applies to official use only and not for personal use.

(6) To reduce damage to greens, practice tees, golf cars, carpets, and wooden stairs, metal spiked golf shoes will not be worn on Army golf courses.

c. Activities.

(1) Golf activities may include—

(a) Lessons, open play, league play, tournaments, and special groups such as juniors and seniors.

(b) Hosting of interservice golf tournaments.

(c) Handicapping services.

(d) Driving ranges and miniature golf.

(e) Locker, equipment, and golf car rental.

(2) Pro shops and other golf-related resale and services may be established based on market demand. This includes food and beverage service (including alcoholic beverages), golf club repair, and amusement machines.

(3) Lessons are subject to the following guidelines.

(a) When supported by a cost benefit analysis, installations may contract for the services of a golf professional under the provisions of AR 215–4. The contract may allow the golf professional to share in earnings from the sale of merchandise, golf car and equipment rentals, and golf lessons.

(b) First-line golf course managers are eligible to receive income from golf instruction under incentive pay programs in accordance with AR 215–3. In addition, revenue-sharing programs may be developed for NAF employees who also provide golf instruction per AR 215–3.

d. Reciprocal privileges. Reciprocal privileges are granted by issuance of a prenumbered advance greens fee card that includes name, grade (if applicable), and the period for which the card is valid.

(1) Active duty Army personnel and members of the RC and their family members who have paid advance greens fees at their military installation are granted reciprocal privileges at any Army golf activity.

(a) Army personnel who reside on an installation other than the one to which assigned may pay advance fees at their place of residence or assignment.

(b) Army personnel and members of the RC assigned to a duty station with no golf course or not assigned to an Army installation may pay advance greens fees at the Army golf course nearest their work or residence.

(2) Other eligible patrons will be granted reciprocal privileges at Army golf courses that are located over 50 miles from their home course.

(a) Retirees will pay advance green fees at the Army golf course nearest their residence as determined by appropriate documentation containing the individual's current address.

(b) DOD civilians pay advance greens fees at the installation of employment if standard nine-hole or larger courses are available. If they are not available, advance greens fees may be paid at the installation nearest their residence or work location, subject to local patronage policy.

(c) Eligible patrons on temporary duty will be granted reciprocal privileges for 14 calendar days at the duty location. Regular or advance green fees will be paid, beginning on the 15th day.

(3) Those individuals who choose to pay advance greens fees at an Army golf course different from the one closest to their place of assignment or residence, waive their right to reciprocal privileges at the Army golf course nearest their residence.

(4) Golf managers will maintain separate records of the number of rounds played by reciprocal patrons for market analysis, assessment of fees and charges, and budget preparation.

(5) With IMA Region approval, garrison commanders may assess reciprocal patrons a discounted daily greens fee if the commander determines that reciprocal privileges are adversely affecting the activity's ability to generate revenue.

(6) Local policy, such as restricting reciprocal patrons to space available play, may be established to ensure that reciprocal privileges do not negatively impact on the installation golf program.

8–15. Gyms/physical fitness/field houses, and aquatic training

a. Description. The terms gyms, physical fitness centers, and field houses are used interchangeably in this regulation. These facilities provide programs that develop the cardiovascular fitness, strength conditioning, and flexibility of military personnel, although they are not limited to use by only military personnel (see table 6–1 for patronage). Aquatic training is discussed in paragraph 8–22. Physical fitness facilities are the hub of the installation-level sports program, access to which is vital to fitness throughout the Army community.

b. Guidelines.

(1) New facilities will be located in or near troop housing areas or in other areas conducive to maximum use. They will be designed in accordance with Army standard designs DEF 780–28–00 through DEF 780–28–06. Construction standards (design-build) for physical fitness facilities (building category code 74028) will include separate office, service, locker rooms (with saunas) and storage areas, and a combination of the below listed functional areas/modules. Indoor pools are accounted for separately under building category code 74072, Indoor Swimming Pool.

(a) Indoor multiple purpose courts.

(b) Indoor running track (one per installation).

(c) Racquet ball-handball courts (squash optional).

(d) Resistance training area.

(e) Cardiovascular training area.

(f) A multiple purpose exercise area.

(2) Fitness extension services.

(a) Commanders may use APF contracts for organizational memberships in and use of local commercial or municipal fitness facilities when military facilities are not available or adequate. Examples include a gymnasium, community center or recreation center complex with running tracks, athletic fields, shower/locker facilities, and swimming pools for aquatic training. Prior to authorizing contracts, commanders conduct an assessment to confirm that:

1. Commuting distance to the nearest military installation would cause an unreasonable hardship on affected military personnel.

2. There are no free opportunities in the civilian community where assigned.

(b) Civilian employees and family members of active duty military personnel may use these services for the purpose of fitness when there are no increased costs to the Army. Active duty military personnel have priority over civilians.

(c) AR 600–63, Army Health Promotion, outlines authorized programs for Department of the Army employees and does not include MWR physical fitness programs outlined in this regulation.

8–16. Leisure Travel Services

a. Description. Leisure Travel Services (LTS) is any travel that is not paid for or reimbursed by APFs or NAFs. It

provides personal travel or travel-related services at representative industry or discount prices. The installation LTS manager is the central information and referral source for leisure travel programs and activities conducted or sponsored by installation organizations or agencies. Functions are listed at table 8–1. The elements of LTS are—

(1) Commercial Travel Office (CTO) provides services generally associated with commercial travel agencies. This includes airline, rail, and bus ticketing; cruises; tours and resort vacation packages; lodging and auto rental reservations as part of other commercial travel arrangements; and related planning services for individuals traveling at their personal expense.

(a) The installation CTO provides both official and leisure commercial travel services for installation personnel and activities. Military Transportation Management Command administers official and unofficial travel requirements by means of regional travel contracts.

(b) The DCA or equivalent provides staff supervision of leisure and MWR travel programs, including resale activities. All official travel remains the responsibility of the installation transportation officer (ITO).

(c) Commercial LTS are provided from a leisure-only office established and controlled by the DCA or equivalent, or from a facility established and controlled by the ITO, primarily for serving official travelers. At locations where a separate leisure-only office is established, routine leisure sales are not handled at the office serving official travelers, with the exception of personal travel arrangements made in conjunction with official travel arrangements.

(d) CTOs will not perform functions normally offered by the Information, Ticketing, and Registration (ITR) office, unless requested by the installation and confirmed by the contracting officer by modification to the regional contract.

(e) Sales volume may require the DCA or equivalent to nominate an individual in the supervisory chain overseeing LTS to serve as Contracting Officer's Representative (COR) for oversight of CTO leisure sales and service. Mandatory COR training is provided by the Contracting Officer before contract operations begin.

(2) ITR provides a full menu of regional travel services, other than that furnished by CTOs. This includes information; tickets; local and regional, individual and group tour and travel arrangements (group tours which use air or cruise carriers are coordinated through the local CTO); complete drive tour package arrangements; local hotel reservations, hotel reservations in conjunction with group tours and hotel reservations as part of arrangements for drive-travelers; and other advance sales or registration services supporting installation MWR/IMWRF activities.

(a) Guidance for tour directors, guides, and escorts is contained in appendix I of this regulation.

(b) ITR services complement and supplement those provided by the CTO. Direct competition between the CTO and ITR office is prohibited. (Direct competition exists where similar products are offered at comparable prices. An example of a similar product is an identical destination having equivalent amenities and reached by like transportation. A comparable price is considered to be within 15 percent or less.) Under the Army's regional travel services contracts, ITR offices have primary responsibility to serve individuals using personal conveyance for travel.

(c) Ticket service for off-post attractions such as entertainment programs, sports events, and other commercial programs with broad appeal to the military community may be offered. Also offered are admission tickets to regional and national attractions such as amusement parks. Military ticket vouchers supplied by USACFSC may be used by the ITR office in lieu of tickets to an attraction and issued to the patron. Hotel reservations for local or regional destinations and in support of personnel requesting assistance for "drive tours" may be offered.

(d) An ITR office should operate as an additional registration and advance sales outlet for all MWR-sponsored programs and events. This does prevent another MWR operation from managing its own sales or registration.

(e) ITR income received as payment on behalf of other MWR activities is recorded as revenue for the supported program.

(f) Commercial travel products such as scheduled airline tickets are not sold at installations that have a CTO. Use of remote ticket printers connected to a main CTO is authorized when respective functions and responsibilities are documented in a written MOU or regional travel services contract.

b. Guidelines.

(1) A percentage of local CTO gross leisure sales are paid to a NAFI, normally the IMWRF. A concessionaire fee payment is established in the regional travel services' contract or MOA. As a contracted operation, concession fee payments are recorded as "Commercial Travel Office Concession Income."

(2) Only authorized MWR patrons may use LTS to arrange activities for private organizations (POs) of which they are members. Trips are restricted to members of the PO.

(3) Overseas, the United Services Organization (USO) may operate tour programs as authorized by overseas IMA Regions and specified in a written MOU. All tour and travel-related services not specified in a MOU are the responsibility of the LTS program.

(4) Acceptance of commissions and fees is subject to the provisions of contracts issued in accordance with AR 215–4.

(a) USACFSC negotiates contracts or marketing agreements with national or major regional service providers; rates, commissions, and services offered are stipulated. A quarterly summary of active agreements and a roster of installations eligible to use each agreement are issued by USACFSC to all installations. Installations may establish agreements with local or regional lodging services as supplements to USACFSC agreements.

(b) A NAFI may accept cash or non-cash commissions from airlines, hotels, and other providers of travel, if the

service is booked on behalf of an authorized patron, through the ITR office, if for unofficial travel, and if the commission conforms to industry standards.

(5) Override payments based on agreements with favored vendors are prohibited.

(6) Leisure CTO facilities dedicated exclusively to unofficial travel and collocated with the ITR office may be established at installations where CTO gross revenues from unofficial travel exceed $750,000 annually.

Table 8–1
Program alignment

CTO	ITR
Airline tickets	Local travel counseling
Rail tickets	Local information
Bus tickets (where authorized)	Regional tours
Charter arrangements	Drive package tours
Package tours (including group tours)	Tickets to: regional/national attractions; off-post special events;
Cruise packages	on post special events
Hotel reservations (ICW CTO	Group travel arrangements
travel arrangements)	Hotel reservations (ICW ITR
Auto rentals	transactions)
Conference arrangements	Coupon Books
Passport/visa assistance ICW	Advance registration for:
CTO travel arrangements	on post activities
Travel insurance	(MWR sponsored)
Local/regional services by mutual agreement with installations	Other authorized transactions (e-mail, package mail service, balloon bouquets, etc.)

8–17. Libraries and information services

a. Description. This section pertains to general libraries, which are a part of the overall Army Library Program. General libraries are the central information resource for the total community providing the tools and services to enhance quality of life and impact mission readiness. Services include, at a minimum, reference and research services (both traditional and electronic borrower services, and inter-library loan access to other libraries). Libraries offer current, retrospective, and authoritative multi-media material in all subject fields, with text, graphics, and sound accessed, in many cases, electronically. General libraries are directed by professional librarians and operated in accordance with American Library Association standards and practices. They are also subject to the standards of educational accrediting associations who review and accredit colleges and universities teaching on Army installations.

b. Mission. General libraries enhance military readiness and quality of life through effective, professionally directed library services offering mission and training information, academic support for education programs, and morale, welfare, and recreation programs for soldiers and their families.

(1) *Library system.* At installations where two or more libraries operate, one is designated as the main library and all others are branch libraries. If there is only one library, it is designated as a main library. Where technical, academic, or other special libraries are located on the same installation, the general library should develop formal agreements as necessary to form a mutually supporting library system. A library system includes some or all of the following:

(a) A main library which may be either the headquarters of an installation library system or the sole general library on the installation. Main libraries provide complete services to users as well as overall administrative and technical services support for the system. A main library may also be a consolidated library which supports various elements and requirements of the installation to include MWR and education. Main/consolidated libraries use new technology to support information requirements.

(b) A consolidated library which has merged various installation/activity missions to form one supportive library for all elements within the community. Various elements supported in a consolidation include, but are not limited to, academic, technical (research and training), off-duty education, and MWR. An alternative to a fully consolidated library would be consolidation of any one of the following library elements: management, facilities, functions (for example, technical processing). As with all other activities, a consolidated library requires adequate dollars for staffing, resources, and facility.

(c) A branch library which operates under direction of the main library staff and has a separate staff, facility, and

permanent base collection. Normally, it is established in a hospital, a remote billet area, a housing area, or a location to support an education center.

(d) A field collection which is established where the number of personnel or lack of facilities preclude the establishment of a library. Field collections are directly supported by a library/library system; materials are exchanged on a regular basis. Normally, field collections do not have a permanently assigned staff.

(e) A bookmobile, which is a mobile unit providing library services to personnel residing away from the main library. Bookmobiles operate on a regular schedule and have a designated collection and staff.

(f) Paperback book outlets, which are established to distribute paperback books from kits received through the Army centralized acquisition program.

(g) Office collections, which are issued by main libraries to offices that have a recurring need for specific reference items.

(h) Command and/or regional reference centers, which are libraries designated to receive additional materials from the centralized acquisition program. Command and/or regional reference centers offer extensive inter-library loans and books-by-mail service for the military community, military region, and TDY personnel. Before material is withdrawn from a collection, titles must be approved by USACFSC (CFSC–CRL).

(2) *Support of confinement and correctional facilities.* Provisions of library services to prisoners at Army confinement or correctional facilities is in accordance with AR 190–47.

c. Guidelines. Libraries are governed by this regulation.

(1) Procedures for establishment and disestablishment are in AR 735–17.

(2) Library standards are issued separately by USAFSC (CFSC-SF-L).

(3) A general systems notice for the Alphabetical Library Borrowers' File is in DA Pam 25–51. Circulation information is released only after a review of the request by the appropriate Freedom of Information Act or Privacy Act adviser to ensure that the request complies with provisions of AR 340–21.

(4) Micrographics production and reproduction equipment is included in the Information Management Plan required by AR 25–1. Library materials converted to microform (such as periodicals, magazines, journals, newspapers, books, pamphlets, reports, films, and filmstrips) are normal library materials and special approval is not required.

(5) Historical materials are protected in accordance with AR 735–17 and AR 870–5.

(6) Registered first-class or numbered insured mail is used for the mailing of books and other materials that are one-of-a-kind rare, out of print, irreplaceable, or exceed $200 in value. Other library material is transmitted by insured third- or fourth-class mail, depending on the weight and type of material.

(7) Central Book Acquisition Program (RCS CSG PA1701).

(a) USACFSC (CFSC–CRL) provides monthly book selection and acquisition for Army libraries. Books, selected on the basis of general interest, supplement local requirements. Installation librarians budget for and procure items required to respond to unique installation or community needs.

(b) Paperback book kits are selected and procured monthly for isolated units, hospitals, confinement centers, and units on maneuvers and exercises.

(c) Procedures for requesting books through the central acquisition program are issued annually by USACFSC.

(8) USACFSC may request reports from libraries, as required.

(9) Federal copyright law reserves to copyright owners the exclusive right to reproduce and distribute their works. Libraries and archives may make and distribute single copies of copyrighted material in response to requests from patrons or other libraries when the material is for private study, scholarship, or research. To implement this exception, libraries located in the United States or its territories or OCONUS libraries display a warning notice. The warning sign is printed on heavy paper or other durable material in type at least 18 points in size and displayed near copying machines or equipment to inform users of copyright restrictions. Unsupervised copying equipment in libraries where patrons make copies for themselves will display the following notice: "The making of a copy may be subject to the Copyright Law." The required wording is as follows: NOTICE—Warning concerning copyright restrictions—The Copyright Law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material.

(10) There will be no censorship in Army libraries. Materials will cover different views of controversial subjects. Garrison commanders will encourage and promote the availability of books, periodicals, and other media which present a wide range of viewpoints on public issues to soldiers.

(11) Staffing is benchmarked against industry practices as relayed in the MWR Baseline Standards for Libraries. (Baseline Standards for all MWR programs are found at http://www.armymwr.org/home/Show_file.asp?fileID=183.) Classification and qualifications are based on Office of Personnel Management (OPM) qualifications and classification standards (OPM X-118 Handbook). Recruitment for vacancies in the GS-1410 series is accomplished by requesting an Army Civilian Career Evaluation System list of eligibles through the local civilian personnel office from HQDA, Total Army Personnel Center. For further information, see AR 690–950.

8–18. MWR food, beverage, and entertainment programs on military installations

a. Description. MWR FB&E programs encompass all MWR food operations such as military clubs, non-membership FB&E operations, and snack bar operations in activities such as bowling, golf, and recreation centers. MWR FB&E programs are an integral part of the commander's overall food service program and assist the commander, along with AAFES and subsistence/troop feeding, in meeting the food service needs of the installation's assigned or visiting personnel.

b. Military clubs. Military clubs are primarily membership activities and include officers', noncommissioned officers', enlisted, and community clubs.

(1) *Mission.* The mission of military clubs is to—

(a) Sustain soldier morale and well-being which contribute to high performance combat effectiveness;

(b) Provide a constructive social alternative;

(c) Support the Army goal of readiness and retention by providing an installation focal point for social activities and military events that foster unit camaraderie, esprit de corps, and cohesiveness;

(d) Satisfy market demands of the total Army family by providing services such as food and beverage, entertainment and recreational activities, check cashing and currency conversion, where applicable and supported;

(e) Provide alternative feeding facilities to supplement troop dining facilities;

(f) Meet installation mobilization, emergency, protocol, and hosting requirements;

(g) Meet the need for command-sponsored events and social function requirements of an installation and its personnel.

(2) *Club management.*

(a) Club managers will participate in a club management certification program and attain certification by the fifth year of employment.

(b) The establishment of separate clubs for officers, NCOs, and enlisted personnel depends on installation and market demand. Community clubs are established to serve two or more categories of patrons, such as NCOs and enlisted personnel, and may include equivalent grade civilians.

(c) IMA Region and installation contingency plans include provisions for club use as additional feeding facilities during mobilization and emergencies.

(d) Installations may contract with the IMWRF for clubs to provide troop feeding service for emergency situations and when troop dining facilities are not available, consistent with provisions of the FAR.

(3) *Membership.* Membership will be voluntary. Individuals will not be required to give reasons for declining or ending membership.

(a) Patronage eligibility is defined in chapter 6.

(b) The assessment of membership dues is optional. When dues are charged, a separate membership dues structure for officers, NCOs, and enlisted personnel may be established.

1. Clubs that charge membership dues issue club membership cards that verify that dues have been paid and show the issuing club, cardholder's name, and expiration date. Refer to table 6–1 for authorized patronage and individuals' exemptions from dues at the discretion of the garrison commander.

2. Clubs issue numbered club cards, keep a list of cardholders, and annually update the list for accuracy and currency.

(c) When spouses are eligible for membership in different clubs, due to rank or grade, each may join the club for which eligible. When both spouses are eligible for membership in the same club, each may become a member or one may join as a sponsor.

(d) Persons with dual eligibility, such as a retired NCO who is also a DOD civilian with the equivalent grade of an officer, may join any club for which they are eligible.

(4) *Suspension.* Garrison commanders (may be delegated) may suspend a member's privileges if a member violates the Joint Ethics Regulation (DOD 5500.7–R), or the conditions of membership set by regulation or club house rules. Temporary suspension of privileges will comply with house rules.

(5) *Dues.*

(a) When dues are charged, members are charged for the month in which they join, but not the month in which they leave the installation or end their club membership. Members are refunded prepaid dues based on reassignment orders or letters of resignation.

(b) Dues are billed at the end of the month for the subsequent month.

(c) The DCA and Community Operations Division (COD) chief or equivalent counterparts, club managers, and their full-time assistants are exempt from dues.

(6) *Reciprocal privileges.*

(a) Members are afforded reciprocal privileges at all Army installations under the same conditions as host club members, except that credit is limited to commercial credit or bank cards accepted by the host club.

(b) Reciprocity does not apply to host club special events and promotions such as membership nights, discount coupons, or local recognition programs, unless approved by the garrison commander (or delegatee).

(c) Persons who are members of clubs that do not charge dues are not entitled to reciprocal privileges at clubs which charge dues, unless permitted by intraservice or local joint Service agreements.

(d) Membership cards are the primary means of identifying persons eligible for reciprocal privileges.

(7) *Use by nonmembers.*

(a) Except as otherwise provided, use of club facilities is limited to—

1. Guests of members, a person not eligible for membership who has been extended a specific invitation by a member. The member assumes full responsibility, including payment for services and products received.

2. Personnel in a transient status or on TDY for less than 30 days.

3. ROTC cadets when visiting an Army installation in an official status or as approved by the garrison commander (or delegatee), cadets and midshipmen of the Service academies.

(b) Nonmembers assigned to or employed by the installation who are authorized MWR patrons. Normally, use is limited to food service and common areas during established dining hours when considered by the commander in the best interests of the Army. However, nonmembers may also be granted access to ancillary programs offered by membership clubs, such as tennis courts and swimming pools, subject to space availability and assessment of usage fees, at the commander's discretion.

(c) Other nonmembers eligible for membership are limited to attendance at command-sponsored functions.

(d) Official installation guests.

(e) Attendees at functions sponsored by off-post official DOD organizations.

(f) Attendees at private functions hosted by a member. This includes functions such as weddings, receptions, birthday parties, and other celebrations.

(g) Attendees at functions held by organizations authorized to function on post.

(8) *Extension of credit.* Clubs should eliminate the extension of credit to members. The use of established commercial credit cards is the preferred method.

c. Nonmembership FB&E operations. These include FB&E theme operations and catering operations.

(1) *FB&E theme operations.* These may include restaurants, lounges, high energy night clubs, sports bars, and the like. They respond to market demands of the installation by providing high quality food, beverages, and entertainment. Such activities are similar to franchise operations in that they employ a high degree of standardization of menu, decor, equipment, franchise uniforms, and operational procedures. FB&E theme operations provide brand recognition through uniforms, logos, and identifiable trademarks. FB&E theme operations are established only after a positive market assessment. They are governed by a memorandum of agreement signed by the garrison commander, the IMA Region, and USACFSC.

(2) *Catering operations.* These provide catered food and beverages as required on the installation. The mission of catering is to respond to the needs of protocol, hosting, command-sponsored events, the social functions of the installation, and authorized patrons. Catering is accomplished as follows:

(a) The operation should be centralized on an installation and may be located in a stand alone facility or collocated in another facility such as a community activities or conference center, or other MWR activity.

(b) The operations located in APF Government buildings, such as conference or community activities centers, will pay their pro rata share of utilities.

(c) Authorized patrons who are members of non-DOD organizations may use catering operations for their organization events.

d. Snack bars incidental to operation of other programs. Snack bars are food service operations featuring a variety of prepared or short-order menu items such as bottled beverage, sandwiches, chips, salads, and pizzas. Machine-vended and brand name fast food operations are not considered as part of snack bars. Generally, services are given by an attendant rather than a waitress (no table service). They are operated in conjunction with other MWR activities or events such as a bowling center, sports activity, or recreation center. Revenues are attributed to the MWR activity with which the snack bar is collocated and operated. Technical supervision is furnished by a qualified food service management specialist.

e. Policies applicable to all FB&E programs.

(1) *Programs.* Installations may operate one or more MWR FB&E programs depending on need or demand. Specific programs may run concurrently or alternately within one facility or in separate facilities.

(2) *Contracting.* The installation may use APFs to contract with the IMWRF for use of FB&E programs if sole source is fully justified or as otherwise provided for in the FAR. MWR FB&E programs, particularly military clubs and catering operations, may be in a unique position to respond to installation/command needs for protocol, hosting, and command-sponsored events. In many instances, luncheons can be justified on a sole source basis (the distinguished visitor's time is limited; there is insufficient time for transportation to and from an off-post facility, and other similar circumstances).

(3) *Animal policy.* The only animals permitted in FB&E program facilities are seeing-eye dogs and animals that are part of entertainment programs. Such animals are controlled by their masters at all times.

(4) *Family members and prizes.* FB&E program managers, employees, and their immediate families and guests do not take part in nor accept prizes at FB&E program events where cash or other prizes are awarded.

(5) *Alcoholic beverage control.* The administration, control, and operation of alcoholic beverage programs are in accordance with chapter 7, this regulation.

(6) *Check cashing policy.* Commanders may authorize membership and non-membership clubs and other FB&E activities to cash patron personal checks. Commanders will determine which patrons, from authorized patrons outlined in table 6–1, are eligible to cash checks. Activities cashing patron personal checks will post a sign indicating patrons authorized to cash checks. Check cashing controls are in appendix G.

(7) *Private sector sales promotions.* Vendors and sales representatives may conduct sales promotions and present/giveaway items in FB&E programs. This may include events such as wine and cheese tastings, fashion shows, product displays in conjunction with an event, and direct sales as authorized by this regulation. The Joint Ethics Regulation (DOD 5500.7) applies to all promotional give-aways.

(a) If the event is initiated by a FB&E program, a request for proposals describing the desired promotion is issued to qualified vendors or sales representatives, in accordance with AR 215–4.

(b) Vendors and sales representatives desiring to conduct sales promotions will submit a written request including the name of the firm and its representatives; the type of event; the product to be promoted or sold; the proposed date, time, and place; and a brief description of the method of presentation.

(c) If products are to be consumed during the event, they are provided from the FB&E program inventory and charged to the vendor at wholesale prices or provided by the vendor or sales representative at no cost. When products are furnished in advance, they are considered inventory and accounted for at zero cash value on stock record cards separate from items normally stocked. Stock record cards and issue transfer documents are maintained in accordance with DOD 7000.14, volume 13. After the promotional event, the FB&E program will either return all unused merchandise to the vendor, or buy the merchandise at a price established in advance and stated in the contract.

(d) If products displayed during the promotion are to be sold directly to the patron, a short-term contract or purchase order is used to define terms and conditions. Provisions specify, at a minimum, the respective responsibilities, obligations, and liabilities of the FB&E program and the vendor; and the fee or percentage of sales to be paid by the vendor to the FB&E activity.

(e) Kept on file for 3 years after each promotional event are date and type of promotion; amount and type of goods consumed; amount and type of goods added to the inventory or returned to the vendor; and number of patrons participating, and their reaction to the items offered.

(f) Non-DOD organizations approved to function on post may conduct events at clubs, including other FB&E activities that maintain food and beverage operations. Such events will be arranged by authorized MWR patrons who are members of the organization conducting the event (dinner, meeting, party). Fund raising events must satisfy the requirements of DOD 5500.7. Participation is limited to the members of that organization, their family members, and invited guests. Promotions involving alcoholic beverages are supervised by the FB&E program manager.

(g) Promotions conducted under commercial sponsorship agreements are in accordance with chapter 7.

(8) Clubs and other FB&E activity openings. Special promotions to mark openings of new or renovated clubs, other FB&E activities, or snack bar facilities may involve give-aways or reduced price activities subject to the following:

(a) A "soft opening" promotion (training employees in preparing and serving food and beverages and determining customer preferences) will be conducted 7 to 10 days before the scheduled grand opening. Attendees may include a limited number of specifically invited club members or patrons, as applicable, representing a broad spectrum of the membership or patron base, as applicable. Food is sold at not less than cost; beverages are sold at the normal price.

(b) A "grand opening," celebrating the first day of regular business, is open to the entire military club membership, or all authorized patrons if the opening involves a nonmembership FB&E program, plus invited guests from local community and civic organizations, and local media when a formal opening ceremony, such as a ribbon cutting, takes place. Food and nonalcoholic beverages may be offered at reduced prices or no charge. Alcoholic beverages are sold at normal prices.

(9) *Promotional items.* Consistent with provisions of chapter 7 and the Joint Ethics Regulation (DODD 5500.7), clubs and other FB&E operations may accept items of small value from vendors (such as swizzle sticks, napkins, coasters, place mats, tent cards, glassware, and trays). Clocks, lights, and other items with vendor logos commonly furnished to similar activities in the private sector to promote products may be used. Controls will be implemented, as needed, to preclude preferential treatment or conflicts of interest between vendors and FB&E program personnel using these items. These controls will ensure that authorized vendors are given equal chance to provide available items. When accepted by program personnel, these items are described, valued, and accounted for in accordance with DOD 7000.14, volume 13. Vendors will not retain any rights over promotional items.

(10) *Vendor relations.*

(a) Within the provisions of the Joint Ethics Regulation (DOD 5500.7–R, management will schedule meetings with commercial vendors and sales representatives as needed to discuss products and plan events. Sales representatives may not use clubs and other FB&E program facilities for personal reasons unless they are authorized patrons.

(b) Visits are recorded in a visiting sales representative register kept on file for reference during inspections and

audits. The representatives' names and company affiliations, times, dates, places, nature of meetings, and other appropriate comments are included.

(11) *Personal expense accounts.* Club or other FB&E program managers and their immediate supervisors may have monthly expense accounts to assess market trends and other hospitality operations. These accounts are administered as follows:

(a) Annual expenditures do not exceed amounts designated in approved budgets. The DCA or equivalent counterpart will authorize and approve expense accounts and will establish monthly dollar limitations which are not carried forward into the next month. Expenses are recorded in the month in which they were incurred and charged to the activity to which the individual is assigned.

(b) Expense accounts will not be used to purchase alcoholic beverages.

(c) Reimbursable expenses are limited to expenses for which actual receipts are received; the date, nature of the expense and location are documented; and the signature of the individual claiming the expense verifies accuracy.

(d) Reimbursement is approved by the individual's immediate supervisor, payable either by check to the individual who incurred the expense or by use of a NAF credit card when expenses are incurred.

(12) *Other expense accounting.*

(a) Food or beverages rejected by a customer and replaced with other items are charged to General Ledger Account 653 (Customer Rejected Goods Expense).

(b) Expenses related to sampling meals, testing the quality of food, or providing food and beverages without charge are charged to General Ledger Account 652 (Promotion Expense).

(13) *Background checks.* Criminal Investigation Division (CID) background checks are performed prior to hiring club or FB&E program management personnel and central cashiers.

(14) *Packaged beverage sales.* Packaged beverages are ordinarily sold exclusively by AAFES package beverage stores. Exceptions are as follows:

(a) Garrison commanders may authorize the incidental sale of packaged malt beverages and wine coolers for off-premises consumption provided—

1. There is no installation package beverage store or there is a valid need for a source of packaged malt beverages or wine coolers outside the operating hours of the installation package store.

2. Prices charged for packaged beverages are no less than those charged by AAFES or local, private sector commercial sources.

(b) Sales of beer by the keg are controlled by party contracts.

(c) Sales of beer or wine cooler six-packs across the bar for off-premises consumption at bar retail prices is not restricted.

(d) Packaged malt beverages sales may be included in catering contracts.

(15) *Non-FB&E food and beverages.* No member, guest, or group is permitted to bring food or beverage into an MWR food and beverage facility for consumption on the premises. Exceptions are—

(a) Box lunches at swimming pools and tennis courts.

(b) Wedding cakes and other specialty food items provided by the host of a private party or reception. Conditions will be specified in the party contract.

(c) Food and nonalcoholic beverages for consumption by employees during scheduled meal periods.

8–19. Outdoor recreation

a. Description. The outdoor recreation program offers diverse, healthful, vigorous, and comprehensive outdoor recreation activities while conserving and protecting wildlife, forests, wetlands, and other natural resources.

b. Guidelines.

(1) The installation outdoor recreation director plans, develops, coordinates, and directs all outdoor recreation activities and facilities of the installation and provides technical expertise and advice to the commander.

(2) High priority is given to challenge-type activities that contribute to physical fitness and military skills. Examples are mountain climbing, rappelling, kayaking, skiing, and swimming.

(3) An installation outdoor recreation plan is developed in accordance with chapter 10 and in TM–5–803–12 (Planning of Outdoor Recreation Areas).

(4) Installations with land and water areas suitable for public recreational use and enjoyment have controlled public access in accordance with AR 200–3. Access is subject to safety and military security requirements and does not impair the military mission or recreational use by military community members.

(5) Fees may be charged for the use of all outdoor recreation programs, activities, and equipment, to include those used by units, youth programs, and all other installation activities (see paras 7–5 of this regulation and (13) below). Such programs, activities, and equipment for which fees are charged may include nonprogram-related MWR equipment (chain saws, lawn mowers), marina operations, and equipment checkout operations.

(6) Commanders may authorize acceptance of golden age and golden access passports to give a 50 percent discount on Federal use fees for facilities and services such as boat launching and camping.

(7) Outdoor recreation directors will coordinate directly with installation safety directors to establish safety education and training programs appropriate to the type and level of activities offered.

(8) Recreation vehicle (RV) storage to include boats, trailers, motor homes, and similar outdoor recreation vehicles/equipment is authorized. A fee is also authorized for this service.

(9) The paragraphs that follow provide an explanation of the activities, programs, and facilities representative of the outdoor recreation programs.

(10) Boating includes watercraft powered either manually or mechanically for both fresh and salt water areas (examples of the range of boats include semi-vee, jon, bass, sailboats, rowboats, canoes, kayaks, Boston Whalers, paddleboats, and powerboats). Before participating, patrons are required to meet applicable local, national, Federal, and/or State requirements, safety standards, licensing, and/or course certification.

(11) Cabins/Cottages/Cabanas/Trailers plus tent camping may be offered at Army travel camps or outdoor recreation campgrounds.

(a) Buildings, land, water areas, and equipment maintained with APFs or NAFs are not reserved for exclusive or priority use by individuals or groups on a continuing basis. Reservations are made on a first-come, first-served basis, regardless of rank or grade.

(b) Homesteading or use of Army travel camps or other outdoor recreation facilities for temporary or permanent quarters is not authorized. Length of stay policy for Army recreation areas and campgrounds is established by the garrison commander. Army facilities located on Corps of Engineer property constitute the only exception to the stay limit policy. Stay limits on Corps property are 30 days within a 60 consecutive day period during peak season, and 60 days within a 90 consecutive day period during the off season.

(c) Outdoor recreation staff may reside on-site when required for security or program management reasons. Permanent, on-site housing for military managers/staff is considered on-post housing, and family housing or barracks furnishings are authorized. Civilian employees and military personnel drawing quarters allowance are charged rent comparable to similar housing in the civilian community.

(12) Campground operations are categorized as either small or large. Small campgrounds primarily support camping or participation in other outdoor recreation activities. They have minimum or intermediate levels of campground development (gravel or stabilized surface roads, single or multiple potable water outlets, electrical hookups, showers and wash house optional). Large campgrounds are primarily stand alone operations with staff dedicated to campground operations. They have maximum levels of development (paved surface roads, individual potable water sites, individual electrical hookups, individual sewage hookups, bathhouse, and so on).

(13) Equipment Checkout Centers, also known as "Equipment Resource Centers" or "Operations Centers," are the focus for installation outdoor recreation programs, but only one phase of the overall operation. The staff organizes and conducts programs and educational, safety, and instructional classes; organizes specialized tours; coordinates equipment facility maintenance; stores recreation vehicles (RV) for private owners; coordinates outside maintenance and renovation projects for parks, picnic areas, marinas, archery, skeet, and trap ranges; and operates checkout and resale operations. Equipment available for checkout ranges from backpacks and fishing equipment to tents and boats. Though fees are charged for services, the only facets of the checkout program considered "rental" are trailers designed for overnight use and equipment such as lawn mowers, roto-tillers, and chain saws.

(14) Flying activities may include the following:

(a) Army flying activities offer recreational flying opportunities on off-duty time, teaching or improving aeronautical skills, and developing an awareness and appreciation of aviation requirements, safety, and techniques. Appendix M outlines specific policies and reporting requirements.

(b) Flying activities will prepare and submit an annual status report using DA Form 4909 (Army Flying Activity Annual Status Report). Specific instructions for completing the DA Form 4909 are outlined in appendix M.

(15) Garden plots are areas on an Army installation designated by the Facilities Engineer for use as garden plots by post residents. Guidelines for assignments of plots are developed by each installation.

(16) High adventure activities offer a degree of challenge and risk, either real or perceived (to include mountain climbing, rock climbing, hang gliding, parachuting, flying, rappelling, kayaking, and white water rafting). Participants receive a safety briefing, understand the risks of participating, and read and sign an "Assumption of Risk" form or comparable document.

(17) Hunting and fishing activities promote the recreational pursuit of fish, fowl, and small and large game, with emphasis on introductory hunting, fishing, and shooting activities. The following apply—

(a) Fishing, hunting, and trapping are in accordance with AR 200–3.

(b) Outdoor recreation staff manage all hunting and fishing activities in accordance with harvest procedures and objectives established jointly with the Facilities Engineer.

(c) Hunting and fishing events organized by military or civilian organizations are coordinated in advance with the outdoor recreation program office.

(d) The Facilities Engineer is responsible for the biological aspects of wildlife management (to include stocking fish and game, maintaining habitats and feed plots, and determining and measuring the harvest).

(e) Special State permit fees may be collected for hunting and fishing permits on military installations and will be

used exclusively for conservation and management programs developed in coordination with the regional office of the U.S. Fish and Wildlife Service and the appropriate State wildlife management agency. (See AR 200-3 and the Army's Policy Guidance for Fish and Wildlife Conservation Fund, 21X5095, dated 08 Jan 2002. Army guidance may be obtained from the ACSIM at the below address.) Funds collected are deposited to the Wildlife Conservation, Military Reservation, Army account, 21X5095, and used only on the installation where collected. Fees are to used for the protection, conservation, and management of fish and wildlife, including habitat restoration and improvement, biologist staff and support, costs, and related activities, as stated in the Fish and Wildlife Cooperative Plan, but for no other purpose. Assistant Chief of Staff for Installation Management ATTN: DAIM-ED 600 Army Pentagon Washington, DC 20310-0600

(f) Funds required to support hunting and fishing fee collection administration will not exceed 10 percent of the annual revenues. All collections and planned expenditures are to be reported in the Reimbursable Programs Tracking system (RPTS) prior to the beginning of each fiscal year, in accordance with the aforementioned guidance. Budget submissions are approved by ACSIM, Office of the Director of Environmental Programs (ODEP) and coordinated for FAD distribution with the Army Budget Office (ABO) before obligations are incurred. Obligations incurred during the year do not exceed the budget authority granted (FAD authority) and any unobligated balances remaining from previous fiscal years."

(g) In addition to the hunting and fishing permit fees, activity fees may be established to defray NAF expenses incurred. Examples of expenses include management of organized hunts and lotteries to determine who may hunt or fish, transportation to and from hunting stations, construction and maintenance of hunting stands, and prizes for fishing derbies. Fees are assessed in conjunction with the sale of hunting and fishing permits. Hunting and/or fishing activity cards are issued and required for participation in all or selected hunting and/or fishing activities or events. Recreational activity fees are deposited in the IMWRF.

(h) Open house activities on National Hunting and Fishing Day, the 4th Saturday in September, are authorized as a means by which to recognize Americans who contribute to the conservation of our natural resources, acquaint the public with the Army's hunting and fishing programs, and promote resource conservation. Promotional material is available from National Hunting and Fishing Day, 555 Danbury Road, Wilton, CT 06897.

(18) Marinas are berthing facilities that house either government-owned boats or privately owned boats, or both, and provide resale services.

(a) Community recreation marinas or boat operations provide boats for water skiing, fishing, sailing, and paddle or pleasure boating for a daily service fee. The berthing of private boats (not to exceed 35 percent of available berths) is authorized. There is no APF or NAF support for private boat services. Food and related equipment outlets are operated as category C activities.

(b) Other marina operations offering more than 35 percent of available berths to authorized private boat owners are operated as category C activities.

(19) Motor sports are recreational activities which involve motorized vehicles such as drag racing, motorcross, off-road vehicles and related activities. Moped safety requirements include—

(a) Moped checkout programs are offered only after a local risk assessment is completed and the garrison commander has determined that the risk involved is at an acceptable level. The number of mopeds are reported to USACFSC (CFSC-FM-I), Alexandria, VA 22302-4406.

(b) Users possess a valid automobile driver's license and successfully complete the evaluation portion of the Army Motorcycle Safety Course (AMSC) conducted by a certified Motorcycle Safety Foundation/Army Motorcycle Safety instructor. Those who successfully complete only the Motorcycle Riding Course, Riding and Street Skills/AMSC evaluation sections are not issued the AMSC completion card.

(c) Full personal protective equipment is worn at all times while operating a moped. This includes Department of Transportation-approved motorcycle safety helmet, eye protection, long-sleeve shirt or jacket, long trousers, gloves, and sturdy shoes or boots (tennis shoes or "flip-flops" are not acceptable). Wearing of a high visibility vest may be required locally.

(20) Nature centers (indoor and outdoor centers) display animal and plant life to increase the educational and environment awareness levels for the general public.

(21) Parachuting activities may be established and maintained on installations with suitable ground and aircraft resources, to included parachuting activities for sport parachuting instruction and related programs for eligible patrons. Establishment as a private organization is not authorized. Policy on parachuting activities is outlined below.

(a) Activities are operated in accordance with SOPs which meet requirements and standards specified in Parts l, 65, 91, and 105 of the Federal Aviation Administration Regulation (FAAR); the United States Parachute Association (USPA) Skydiver Information Manual (SIM) and Basic Safety Requirements; and applicable Army policies and procedures.

(b) Instructors will hold a current USPA instructor rating, method specific (static line, accelerated free fall, and tandem). If an USPA-certified instructor is not available, an individual holding a USPA Class D license and jumpmaster rating is appointed as an instructor when recommended by the installation sport parachuting safety officer and approved by the garrison commander.

(c) All jumpmasters will hold a current USPA jumpmaster rating.

(d) Equipment used is maintained and inspected by Federal Aviation Administration (FAA)-certified riggers and in accordance with FAA standards. All participants provide a statement of physical fitness, as required by SIM, part 4.08.

(e) Military aircraft made available for Army parachute jumping will be limited to those that have been tested and approved for military parachuting. Jumps from aircraft that are owned, leased, or rented by Army flying activities are prohibited.

(f) Procedures used in rigging aircraft for sport parachuting are no less safe than those prescribed for military parachuting in FM 3–21.220.

(g) Surplus personnel parachutes and related air items obtained from a DRMO are certified airworthy prior to use by an FAA-certified rigger.

(h) Training programs are administered by rated instructors as defined in this regulation. The levels and types of training offered are based on the availability of qualified instructors.

(i) Day and night sport parachute jumping in all USPA options, subject to the availability of qualified instructors, jumpmasters, and ground safety personnel may be offered.

(j) Demonstrations and the performance of public relations events, in accordance with this and other Army regulations (see, for example, AR 360–1) are authorized.

(k) Resale of merchandise necessary or incidental to sport parachuting activities and operation of MWR snack bars, and similar food and beverage activities are subject to policy in this regulation.

(l) Use of military aircraft is at no additional expense to the Army. The scheduling of military aircraft for sport parachute jumps must coincide with either scheduled flights or aircrew training requirements. Sport parachuting missions are not used as a basis for exceeding programmed flying hours.

(m) Commanders may loan Army equipment, including military parachutes and air items, to sport parachuting activities if use of operational units for training and mission requirements are not precluded.

(n) Surplus equipment, including parachutes and air items, may be obtained from a DRMO at reduced or no cost.

(o) Requests to establish sport parachute activities are submitted through command channels to USACFSC (CFSC–CR). Requests will include the number of projected users and a breakout of the patrons by category; estimated growth potential; a list of installation and community facilities available for use; the source and proposed use of activity funds and the source of aircraft support; and, finally, the point of contact.

(p) Garrison commanders (or delegatees) will appoint an installation sport parachuting safety officer (ISPSO). Where possible, the ISPSO is a USPA safety and training advisor. The ISPSO supervises all aspects of sport parachuting safety within the command or installation and is a member of the installation safety council, reporting directly to the installation safety officer.

(q) Each activity has an activity sport parachuting safety officer (ASPS0), subject to approval of the ISPSO and the USPA Conference Director. The ASPSO is responsible for the sport parachuting safety program, including certification of student parachutists' advancement from static line to free-fall jump qualifications; ensures that instructors are qualified in accordance with this regulation and that jumpmasters hold a current USPA jumpmaster rating; appoints a drop zone safety officer (DZSO) to control sport parachuting operations at a specific drop zone (each DZSO must hold a USPA class C or higher license or, if no C license or above qualified individual is available, the ISPSO may authorize a B license holder to act as the DZSO); ensures compliance with USPA basic safety requirements and maintenance of equipment by FAA-certified riggers in accordance with applicable FAARs.

(r) Jumpmasters will control all jumps and discuss each jump with participating parachutists before boarding the aircraft, ensuring that each understands the type of jump to be made and is familiar with aircraft exiting procedures.

(s) Instructors plan and conduct the training of student parachutists in accordance with FAAR and USPA requirements.

(t) Equipment will satisfy requirements outlined in SIM 8-3, and the USPA Basic Safety Requirements. Additionally, students will wear military or commercial boots that extend above the ankles (no hook laces). Licensed, qualified persons may wear foot gear that covers the foot only. Tennis or running shoes are acceptable; sandals are not to be worn. Hard helmets, such as hockey helmets or equivalents are worn, except that USPA license holders and tandem students may wear soft helmets. Gloves and appropriate warm clothing are worn if the temperature at jump altitude is below 40 degrees fahrenheit. Shatterproof goggles and a functional altimeter are worn on all jumps. All students will use automatic deployment devices. A light, visible for a minimum distance of 3 miles, and an illuminated altimeter is used on all night jumps.

(u) In case of injuries or fatalities, the provisions of AR 600–8–1, AR 385–10, and AR 385–40 prescribe actions to be taken. The DZSO assists in the investigation of nonfatal accidents. The ASPSO and an FAA-certified rigger assist in fatal accidents investigation. Completed accident investigation forms are attached to the Army accident investigation report. These forms are obtained from U.S. Parachute Association, 1440 Duke Street, Alexandria, VA 22304. A copy of the report is sent to the Army Risk Management Insurance office, CFSC-FM-I, 4700 King Street, Alexandria, VA 22302–4406.

(v) The program manager will safeguard, supervise, and administer the program and maintain records of jump

activity by date, time, place, and jumps by category of patron; and comply with all operational and reporting requirements contained in this regulation and DOD 7000.14, volume 13.

(w) Eligible patrons must be at least 16 years of age to participate. The parent or legal guardian of any person under the age of legal majority will give written consent before the family member may participate.

(22) Parks, picnic areas, and playgrounds are areas used for diverse recreation activities, ranging from natural, underdeveloped areas to large facilities and areas including lakes, picnic pavilions, playing fields, amphitheaters, miniature golf, and nature centers.

(23) Shooting sports centers/rod and gun activities promote safe hunting, fishing, and shooting, and offer opportunities to develop and improve skills. Included are trap and skeet, archery, rifle, and pistol activities. They may offer other related services (such as instruction, hunting and fishing license sales, and snack and activity related resale operations). The following apply:

(a) Physical security of firearms, ammunition, and explosives will comply with AR 190–11 and AR 710–2. Established inventory accountability procedures and appropriate measures to preclude loss, theft, or accidental destruction are used. Monthly physical inventories of all firearms, by serial number, and all ammunition and exposives are conducted in accordance with DOD 7000.14, volume 13. A joint physical inventory of all firearms, ammunition, and explosives is conducted upon any change of activity manager. These provisions apply equally to firearms and ammunition owned by the activity and those privately owned and stored in MWR facilities.

(b) A NAFI that directly purchases firearms and ammunition from a manufacturer or importer located in the United States is not subject to Federal taxes. Activities located in the United States, its possessions, and Puerto Rico that import firearms or ammunition directly from a foreign dealer or manufacturer are subject to a Federal firearms tax of 10 percent on pistols and revolvers and 11 percent on all other firearms and all ammunition, in accordance with Federal law (26 USC 4181).

(c) Activities that sell firearms or ammunition, or transfer firearms or ammunition to other MWR activities, are licensed as dealers by the Federal Bureau of Alcohol, Tobacco, and Firearms (ATF). Applications for dealer licenses are coordinated through the installation Staff Judge Advocate (SJA) and submitted to the servicing ATF regional office which maintains license application forms and issues dealer's licenses and renewals. Both the Gun Control Act of 1968 (18 USC 921-928) and the ATF regulations implemented by Title 27, Code of Federal Regulations, Part 478 (27 CFR 478), impose these requirements.

(d) Firearms may be loaned or rented to eligible patrons for use in associated shooting. Ammunition provided to a patron as part of the rental fee for a firearm is not considered a sale and does not require a dealer's license.

(e) Sales of firearms are limited to eligible patrons who are residents of the State in which the installation is located. (For purposes of this regulation, military personnel permanently assigned to the installation are considered residents. Otherwise, exceptions are coordinated with the SJA or regional ATF office before the sale is made.) Rifles, shotguns, and ammunition are not sold to persons under 18 years of age; handguns and handgun ammunition are not sold to persons under 21 years of age. For all firearms purchases, patrons must complete the firearm's transaction record (4473) to verify that they do not fall in the categories listed below. Failure to tell the truth about any category is a felony and punishable as a Federal offense. Firearms and ammunition of any kind are not sold to anyone under indictment for or convicted of a crime punishable by imprisonment for a term of more than one year; fugitives from justice; unlawful drug users; any person adjudged mentally defective or a person who has been committed to a mental institution; illegal aliens; anyone with denounced citizenship; or anyone receiving a dishonorable discharge.

(f) Sale and use of firearms and ammunition overseas will comply with the provisions of status of forces and other applicable international agreements. Overseas IMA Regions will ensure that controls and restrictions on the sale of firearms and ammunition are at least as stringent as those that apply to CONUS installations and include appropriate procedures in implementing guidance. Otherwise, sales of firearms and ammunition conform to the laws of the State in which the installation is located and to Federal legislation. Appropriate local practices are developed in coordination with the installation SJA.

(g) No alcoholic beverages of any kind are sold at shooting sports centers. Food and other beverages may be sold. Resale merchandise is limited to items that are related or incidental to hunting, fishing, archery, and target shooting.

(h) All firearms transactions are recorded on ATF Form 4473 (Firearms Transaction Record) (27 CFR 478.124), available from servicing ATF offices. These records are kept permanently at each shooting/rod and gun activity and are subject to examination or inspection by ATF agents. Sales are recorded in chronological order and numbered consecutively. The servicing ATF regional office is notified of planned disestablishment or consolidation of any MWR activity holding a ATF dealer's license. Notification is made at least 30 days prior to planned disestablishment or consolidation. For disestablished activities, all required ATF records referenced herein are furnished to the regional ATF office. If consolidation with another MWR activity, records are transferred to that activity.

(i) Records of invoices for any ammunition received and sales receipts for all ammunition sold (27 CFR 478.125) are retained for at least two years. Sales records for handgun ammunition and ammunition that is interchangeable between rifles and handguns are maintained separately in a bound book, in chronological order, by date of sale. The bound book is not required for sale of shotgun ammunition or ammunition suitable for use only in rifles generally available for purchase.

(24) The development of special interest groups is encouraged, particularly for specialized, outdoor recreation activities such as archery, scuba, rock climbing, hunting, equestrian activities, fishing, and skiing. Emphasis is on instruction and introductory activities which encourage novice participation.

(25) Equestrian facilities house either government-owned/leased or private mounts, or both, and offer resale services. Community recreation stable operations offer a range of services to include lessons, trail rides, hay rides, and stagecoach rides for a service fee. The boarding of private mounts, not to exceed 35 percent of available stable space, for a fee is authorized. When the 35 percent limitation is exceeded, stables will operate as a category C activity. Veterinary service is governed by AR 40–905.

(26) Trails include both developed and undeveloped areas used for walking, hiking, biking, cross-country skiing, and related MWR activities.

(27) Water activities embrace a broad range of fresh and salt water-oriented activities to include swimming, jet skiing, water skiing, scuba, boating, snorkeling, clamming, and related activities. Lessons, instructional programs, and resale outlets may be offered. Participants and instructors will complete pertinent training/certification per activity to meet local, national, or State requirements. The DCA (or equivalent), in coordination with the installation safety office, will determine whether to provide lifeguards at water-based programs and activities, such as at beaches and lake areas, by having a risk analysis conducted to determine the specific hazards for the area. This applies in CONUS and OCONUS. Such hazards might include tide, current, undertow, drop-off, hidden underwater boulders. Appropriate controls will be established to lower the risk to an acceptable level. Control measures will provide for the protection of those personnel using recreational beaches and lake areas. The local SJA will advise on the effect that the local tort law has on the water safety measures. Paragraph 8–22 outlines policy for swimming pools. To ensure a high level of safety awareness, the following must be implemented as a minimum:

(a) Signs stating "No Lifeguards—Swim at Your Own Risk" must be conspicuous.

(b) Signs listing water safety requirements will be displayed.

(c) Lifesaving equipment such as ring buoys and reach poles will be available.

(28) Winter activities include a wide range of programs and activities: cross country and downhill skiing, ice fishing, tobogganing, ice skating, ice climbing, and related activities. Services such as repair, ski waxing, equipment maintenance, lessons, and tours for a fee may be included.

8–20. Raffles

Raffles may be conducted to raise funds for MWR activities, subject to the following:

a. Raffle proposals are reviewed by the SJA for legal sufficiency. Raffles conducted in the United States must conform to State and local laws, unless conducted on installations under exclusive Federal jurisdiction. Overseas, international agreements apply.

b. There is advance, written approval from the garrison commander.

c. Unless otherwise approved by the appropriate IMA Region, the total retail value of all prizes awarded from an IMWRF during any one fiscal year may not exceed $20,000. Individual prizes may not exceed a retail value of $15,000.

d. Raffle tickets, advertisements, and other raffle-related information are not mailed through the U.S. mail unless raffles are authorized or not otherwise prohibited in the State in which held. Advertisements or other raffle-related information will not be broadcast on any radio or television station; and all promotions, ticket sales, and drawings will take place on the sponsoring installation.

e. Prize winners are advised of potential liability for Federal, State, or foreign taxes.

f. Purchaser rules include the following:

(1) Only eligible patrons 18 years of age or older may participate.

(a) When the general public is invited to participate in an installation event and a raffle is part of the event, the public may purchase raffle tickets if the State in which the installation is located allows raffles.

(b) Local nationals in overseas areas will not participate.

(2) Raffle tickets will not be resold or given to other than eligible individuals.

(3) Participation is voluntary. Coercive tactics to increase sales, such as making repeated solicitations or keeping lists of nonparticipants, is prohibited.

g. Issuance of raffle tickets, stubs, and related documents complies with AR 340–21.

h. Raffles are structured to ensure that the sponsoring activity at least breaks even.

i. The maximum number of tickets offered for sale will be stated on raffle tickets.

8–21. Recreation centers, including Better Opportunities for Single Soldiers (BOSS)

a. Description. The recreation center program supports the overall MWR mission of the Army and is directly related to readiness through activities in support of mobilization, contingency, and wartime operations. The program provides opportunities for active duty military, civilians, and their family members to participate in physical, social, personal, and self-development, leisure, and educational related activities.

b. Guidelines.

(1) Recreation centers often provide functions that cannot, due to space and funding constrictions, be provided elsewhere. A variety of structured recreation events can take place within the recreation center, in other facilities, and outdoors. Activities include, but are not limited to—

(a) Classes or course instruction to enable new skills to be learned or to enhance skills already developed.

(b) Community involvement programs such as exhibits, lectures, tours, festivals, cultural exchange activities, organization days, major holidays, carnivals, and celebrations.

(c) Center for information resources for leisure, cultural, and recreational opportunities.

(d) Personal development activities.

(e) Human relations services.

(f) Coordination of diverse programming that is based on customer preference.

(g) Development of social interaction skills that reinforce leadership qualities.

(2) Recreation center facilities should be constructed/modified based on the interests and uniqueness of the community. Facility interiors must reflect contemporary trends, and the program must be developed as part of the MWR five-year plan.

(3) Recreation centers may assess fees. The following activities are authorized and could be provided at an appropriate fee:

(a) Classes offered by a contract instructor.

(b) Bingo.

(c) Monte Carlo.

(d) Services within the center to include set up for activities such as private club meetings, wedding receptions, retirement parties, promotion parties, and so on.

(e) Fashion shows.

(f) Mardi Gras and other theme parties.

(g) Body building/kareoke/billiards contests.

(h) Chili cook off.

(i) Volksmarch.

(j) Flea markets/exhibits.

(k) Food and beverage snack bar.

(l) Roller skating.

(m) Equipment for off premises use.

(4) Hours of operation are established to accommodate off-duty time.

c. BOSS Program. Many BOSS activities are held in recreation centers; however, the BOSS program is a separate entity and is categorized as a Category B MWR program. BOSS provides opportunities for active duty soldiers, with emphasis on the single (and unaccompanied) soldier, to participate in physical, self-development, leisure, and educational related activities.

(1) A BOSS committee may be established at each installation to furnish soldier input to the commander, who uses committee recommendations as the basis for improving single soldier MWR programs and enhancing the quality of life.

(a) The BOSS committee consists of single or unaccompanied soldiers. Members selected will be approved and supported by the garrison command sergeant major. They participate in a BOSS training program, should be able to attend meetings frequently, and are given an opportunity to brief the chain of command. Each committee develops its SOP.

(b) In addition to recreation and other MWR issues, committees address all aspects of soldier life. Quality of life issues outside the purview of MWR are dealt with by the chain of command. The BOSS committee identifies issues and requests action to resolve them.

(c) The installation BOSS program manager is an MWR professional. MWR issues are addressed by the program manager who assists the BOSS committee in directing all quality of life issues to the chain of command.

(2) A variety of structured events to include those planned and conducted by BOSS may be offered within recreation centers, including those for which fees may be charged.

(3) More specific information on the BOSS program is issued separately by USACFSC.

d. Army Chess Tournament. The annual Army Chess Tournament is the entry level for Interservice, NATO, and National Chess competition levels and leads to the selection of an all-Army team for the Armed Forces Chess Tournament.

(1) Since tournaments are sanctioned by and conducted in accordance with the rules of the United States Chess Federation (USCF), positive proof of membership (such as a membership card or a receipt for payment) is required for tournament registration.

(2) Participants will be active duty soldiers, having served 90 days or more.

(3) As sponsor, USACFSC funds expenses of the host installation and participants' travel and per diem to the tournament; and maintains Army memberships with the USCF and the American Chess Foundation, and liaison with other military Services. USACFSC will issue instructions annually covering all aspects of the tournament.

(4) DA Form 4878 (Army Chess Tournament Application) is used to apply for entry in the tournament. It is addressed through channels to Commander, U.S. Army Community and Family Support Center, ATTN: CFSC–CR, 4700 King Street, Alexandria, VA 22302–4418. A statement from the commander verifying availability for the levels of competition, if selected, is included.

8–22. Sports

a. Description. Installation and unit-level sports programs are designed for broad-based participation in a full range of individual and team sports consistent with patron interest, availability of suitable facilities, unit missions, and climate. There are opportunities to enhance individual morale and unit esprit de corps, promote teamwork and cooperation, engage in competitive recreation, and to encourage individuals to attain and sustain high levels of physical fitness. Emphasis is on group participation in unit and intramural sports with wide appeal, such as softball, volleyball, flag football, basketball, running, and soccer. Programming includes instruction, practice, and competition at all skill levels, starting with beginners.

b. Guidelines.

(1) Participation:

(a) Commanders may allow soldier participation in organized sports and athletic training activities, for fitness purposes.

(b) Other authorized patrons and family members may participate in organized sports leagues only when not enough military personnel are available to form teams for intramural league play. Such persons will not participate with military personnel in individual sports, to include contact sports such as boxing, martial arts, wrestling, handball, or football (with the exception of Flag Football leagues employing and enforcing strict non-contact rules, that is, NIRSA).

(c) Children eligible to participate in Youth Services sports programs are not eligible to participate in intramural programs.

(d) Mixed participation by men and women in installation sports programs is subject to commander discretion. Separate programs for each gender may be conducted. (This does not prevent the conduct of programs that lend themselves to mixed competition.) When there are separate programs, in any sport, participants are assigned according to gender, and teams may not compete against teams of the opposite gender.

(e) Teams or individuals representing the Army will not participate in any sports event or exhibition where there is unlawful discrimination involving participants, administrators, or spectators because of race, creed, color, or sex. No participant in the Army Sports Program, to include those assigned, detailed, or volunteering any services, will use drugs or medications designed to improve athletic performance. All involved in the Army Sports Program will sign a statement that they understand and will comply with this policy.

(2) Sports coordinators and installation sports directors may participate in activities of local affiliates of national governing bodies.

(3) Sports officiating is subject to the following guidelines.

(a) Athletic officiating services are funded by APFs only under an APF contract or purchase order. Decisions to use APFs for officiating services are made in advance. A NAFI may be the contractor only if it is the sole source of the required services and the contract is in accordance with FAR procedures.

(b) Sports officiating opportunities are open to all qualified applicants and not restricted to off-duty military or civilian employees. The use of off-duty personnel as sports officials will comply with Government regulations regarding the employment of off-duty military personnel or Governmment contractors specified in ARs 215–3 and 215–4. The local SJA will review each contract regardless of dollar amount.

(4) Safety guidelines are described in the following paragraphs.

(a) Installation sports program managers will coordinate directly with installation safety directors to arrange appropriate education and training programs. They will integrate applicable safety practices, prescribed by an applicable national governing body, into its sports program to prevent athletic injuries to participants and collateral injuries to spectators. Based on concern for participants' safety, local commanders may bar any eligible individual from competing in contact sports.

(b) Sports facilities, equipment, and spectator seating areas are inspected regularly for adequate space and structural soundness.

(c) Other safety requirements include—

1. Professionals in boxing, judo, karate, and wrestling will not participate with amateurs but may act as coaches, trainers, officials, and managers.

2. All Army sponsored boxers will wear competitive boxing headguards at all levels of competition and a foul-proof protective cup and fitted mouthpiece when competing in amateur boxing events. A qualified medical doctor is at ringside for matches.

3. Eye protection devices approved by the national governing body are mandatory for individuals playing racquetball and handball.

4. Metal-cleated shoes are worn only for track and field events. Molded rubber-cleated shoes, all-purpose athletic shoes, gym or tennis shoes are to be used for all other sports, with the exception of specialized shoes for sports such as hockey, sky diving, skiing, and so forth. The appropriate shoe should be on an approved list governing the respective sport.

(5) Clinics and similar instructional programs for coaches and other unit and installation support personnel are conducted annually.

(6) Competition with civilian teams is permitted subject to the following:

(a) If the Army team includes professional athletes, commanders conducting competitions will advise, in writing, representatives of the other Service or civilian teams. Amateur athletes do not lose amateur status as a result of membership on any Army team composed partly of professionals, if the competition is for prizes other than cash or the equivalent.

(b) A competition sponsored by the Army on a military installation against a civilian team that includes professional athletes is conducted as an exhibition for entertainment purposes only. Competition against professional athletes, or civilian teams that include professional athletes, may not be sponsored by the Army at a nonmilitary facility.

(c) A competition on a military installation which involves two or more civilian teams must be sanctioned by the national sports governing body or local affiliate having jurisdiction over the sport involved. A list of national sports governing bodies is provided in table 8–2.

(d) When a competition, conducted by civilian organizations, involves payment of fees, commanders may approve participation if one of the below criteria is met. If the competition is a fundraiser, participation must be in accordance with AR 600-29 and the Joint Ethics Regulation (DOD 5500.7).)

1. It is sanctioned by a national sports governing body or local affiliate, or

2. The sponsor is a Federal, State, or local Government agency, an amateur sports organization, or an educational institution.

(e) If the event is of local interest only and held within normal commuting distance of the installation, the garrison commander may approve participation. IMA Regions approve events conducted beyond normal commuting distance. If the event is of national or international prominence or overseas travel of participants from foreign countries is involved, approval is obtained from USACFSC (CFSC–CR).

(f) Before entering Army personnel in any civilian competition, the effect on community relations, consistency with the Army Sports Program, and the nature and details of any commercial sponsorship are considered carefully.

(7) When personnel resources permit, commanders may form and train organizational teams to provide opportunities for soldiers with advanced athletic skills to compete in athletic events. Events may include "donkey basketball," competing against touring professional teams, such as the Harlem Globetrotters, and may be held for spectator entertainment purposes.

(8) The terms "interservice" and "Armed Forces" will not be used in the title of locally sponsored sports events. Such terms are used only for competitions sponsored by the Armed Forces Sports Committee, a DOD agency.

(9) Generally, playing rules published by U.S. national sports governing bodies are used for all competitions conducted within the Army. Otherwise, installations use rules of any other recognized sports organization, such as the National Federation of State High School Associations, the National Collegiate Athletic Association, the National Intramuralecreational Sports Association, or the United States Slowpitch Softball Association. Overseas commands may use international rules, if appropriate.

c. Program levels.

(1) *Unit activities.* Comprehensive unit level sports programs are developed and conducted in accordance with local MWR program policy and this regulation. Community recreation sports staffs give technical assistance and coordinate the use of facilities and equipment. Unit sports are for active duty soldiers only and may be conducted during both duty and off-duty time.

Table 8–2
U.S. National sports governing bodies

Sport	Governing body
Archery	National Archery Association
Badminton	U.S. Badminton Association
Baseball	U.S. Baseball Federation
Basketball	USA Basketball
Biathlon	U.S. Biathlon Association
Bobsled	U.S. Bobsled and Skeleton Federation
Bowling	U.S. Tenpin Bowling Federation
Boxing	USA Boxing
Canoe/Kayak	Canoe and Kayak Team
Cycling	U.S. Cycling Federation
Diving	U.S. Diving, Inc.
Equestrian	American Horse Shows Association
Fencing	U.S. Fencing Association
Field Hockey	U.S. Field Hockey Association of America (Men's)
	U.S. Field Hockey Association (Women's)
Figure Skating	U.S. Figure Skating Association
Gymnastics	U.S. Gymnastics Federation
Ice Hockey	USA Hockey
Judo	U.S. Judo, Inc.
Luge	U.S. Luge Association
Modern Pentathlon	U.S. Modern Pentathlon Association
Racquetball	American Amateur Racquetball Association
Roller Skating	USA Confederation of Roller Skating
Rowing	U.S. Rowing Association
Rugby	USA Rugby Football Union (USARFU)
Shooting	National Rifle Association
Skiing	U.S. Ski Association
Soccer	U.S. Soccer Federation
Softball	Amateur Softball Association
Speedskating	U.S. International Speedskating Association
Swimming	U.S. Swimming, Inc.
Synchronized Swimming	U.S. Synchronized Swimming, Inc.
Table Tennis	U.S. Table Tennis Association
Taekwondo	U.S. Taekwondo Union
Team Handball	Team Handball Federation
Tennis	U.S. Tennis Federation
Track and Field	USA Track and Field
Volleyball	Volleyball Association
Water Polo	U.S. Water Polo
Weightlifting	U.S. Weightlifing Federation
Wrestling	USA Wrestling
Yachting	U.S. Sailing Association

(2) *Intramural activities.* Commanders will develop intramural training programs to supplement unit level activities. Intramural sports are usually conducted during off-duty hours between teams on the same installation; however, they may compete with teams of other installations when available resources permit. Civilians may participate when there are not sufficient military personnel; however, civilians may not compete above the intramural level.

(3) *Above intramural competitions.* IMA Regions may conduct above intramural competitions as follow-ons to installation intramural sports programs. This may include sports that lead to departmental, national, or international competition. MACOMs may grant subordinate commands authority to place participants on administrative leave for assembly and training for a maximum of 30 days prior to the championship. Individuals or teams representing installations may participate in above intramural competitions if they qualify as follows–

(a) They have participated in an installation intramural program. Reassignment, permanent change of station, or reenlistment will not prevent a soldier from competing.

(b) Participation is approved by the unit or garrison commander.

(c) Local NAFs may be used for travel and per diem expenses at sports events hosted by IMA Regions or installations. Use of local NAFs must be approved by the responsible commander.

(4) *Departmental level and Armed Forces Competition.*

(a) Departmental and Armed Forces competitions, conducted periodically in selected sports, offer higher level competition for accomplished soldier-athletes who meet the following criteria:

1. Prospective candidates must be on active duty for not less than 91 days and authorized by immediate commanders to participate. Participation in a leave status is not authorized. Completion of scheduled military training will not be delayed. Bonus recipients may participate only if there is no conflict with bonus provisions or conditions (see AR 614-200).

2. All participants must be amateurs as defined by the appropriate national governing body, with the exception of bowling, golf, and basketball participation.

3. Minimum qualifications for track and field are shown in table 8–3. Golf applications include individual handicaps certified by a golf course manager, sports director, or golf professional. Bowling applications include scratch averages certified by the bowling center manager or league secretary. The minimum average considered is 190 for men and 160 for women in 21 or more league games.

Table 8–3
Track and field minimum qualifications

	Time	
Event	Men	Women
100 meter dash	10.7	12.4
200 meter dash	21.6	25.3
400 meter hurdles	54.0	
400 meter dash	48.2	58.0
800 meter dash	1:52	2:19
1 mile run	4:10.0	
1,500 meter run	3:53.9	
3,000 meter run		10:16
5,000 meter run	14.46	17:52.3
10,000 meter run	31:00.0	
3,000 meter steeplechase	9:15	
100 meter hurdles		14.8
110 meter high hurdles	14.7	
Marathon	2:30.0	3:00.0
Javelin	61.0m	41.0m
High Jump	2.06m	
Shot put	16.0m	12.4m
Discus	49.16m	40.16m

Table 8–3
Track and field minimum qualifications—Continued

	Time	
Event	Men	Women
Triple jump	14.5m	
Long jump	7.2m	5.5m
Pole vault	4.6m	
16-pound hammer	53.0	

Notes:
[1] Times and distances are minimum standards. They may be waived by HQDA based on individual experience or potential.

4. Trial camp selection is based on performance in current military and civilian competitions, records and reports of the national governing body, recommendations of sports directors or coaches, and athlete statements. USACFSC makes selections for departmental and Armed Forces sports activities.

5. Army personnel may not represent another Service, nor may members of the other Services represent the Army in departmental, Armed Forces, national, or international competitions except as members of a composite Armed Forces team.

6. Military uniforms are worn for all special activities at departmental competitions.

(b) Applying.

1. Departmental level sports competitions, including dates and locations of trial camps and competitions, are announced annually by USACFSC.

2. Participants are selected by USACFSC to train and compete for positions on Army teams. Applications are submitted as discussed below.

(c) IMA Regions may nominate competitors based on the results of IMA Region or invitational championships conducted before the start of Army trial camps. If an IMA Region designates these events as the basis for trial nominations, individual applications are not accepted (command or individual championships are not used as a basis for IMA Region nominations.)

(d) Individual soldiers from Korea, who believe they qualify, may submit applications through their IMA Region chain of command; soldiers of other IMA Regions apply independently. Applications are submitted to USACFSC (CFSC–CR) 4700 King Street, Alexandria, VA 22302–4418, with an information copy provided to the respective supporting sports office. Applications are required at USACFSC at least 30 days before the Army trial camp starts.

(e) The commander's concurrence in indicated on application form DA Form 4762 (Athlete's Application)

(f) Costs of planning and conducting trial camps and Army-wide competitions are borne by USACFSC. Transportation, travel, and per diem (TDY) costs for Army trials and competitions are funded as follows:

1. Commanders will arrange for transportation to and from the airport of departure for the training site. If required and authorized in advance by USACFSC, the MWR fund of the athlete's parent command or installation will advance travel and per diem allowances. Per diem or miscellaneous expenses are as prescribed in the administrative instructions published for each sport.

2. Requests for reimbursement of funds advanced are forwarded to USACFSC (CFSC–CR) in accordance with the format in figure 8–3. Each request will include supporting orders, receipts, and vouchers and is submitted not later than 20 days after advancement of allowances to avoid the local MWR fund assuming the liability for expenses associated with the TDY.

3. Per diem or miscellaneous expenses while at the training site and return travel to original airport of departure are paid by the host installation from NAFs made available by USACFSC.

(g) Armed Forces competitions conducted periodically by the Armed Forces Sports Committee include individuals or teams selected by USACFSC to represent the Army. Participation is based on results of Army-wide competitions to the extent feasible. When not practical, USACFSC will announce separate qualifications, selection criteria, and related procedures.

(h) See appendix D and chapter 7 for additional funding policies.

(5) *National and international competition.* Exceptional soldier athletes may be nominated by the Armed Forces Working Group or selected by national sports governing bodies to participate in prestigious national and international competitions such as the Conseil International du Sport Militaire (CISM) competitions, Pan American and Olympic Games, world championships, and other international amateur sports events considered suitable by the Department of State.

(a) Policy governing the participation of U.S. Armed Forces personnel in national and international sports competitions is derived from DOD Directive 1330.4 and ensures that the United States is adequately represented in international competition.

(b) The U.S. Army Human Resources Command (HRC), in coordination with USACFSC, may waive the requirement for completion of scheduled military training on a case-by-case basis.

(c) Athletes notified directly by a national sports governing body or national coach of selection for training or competition must immediately inform USACFSC (CFSC–CR).

(d) Priority is given to the Service team in situations when an athlete is selected to compete in national competitions where an all-Army composite team or Armed Forces team is also competing, unless the athlete is on annual leave or released by USACFSC.

(e) An athlete selected for international sports competition inside or outside the United States must obtain a country clearance through USACFSC before participating. Overseas IMA Regions may grant country clearances for their personnel. Detailed information and requirements are in AR 55–46.

(6) *World Class Athlete Program (WCAP).* The WCAP provides an opportunity for soldier athletes of world class caliber to train for national and international sports competitions leading to selection to United States national teams. The WCAP is conducted over a three-year period prior to the start of scheduled Olympic Games. Participation is limited to athletes who have attained a high national ranking in a sport, or have been selected to a U.S. equivalent level team. Applicants must sign an agreement to incur one additional year of their service obligation. This is in addition to any other service requirements. This additional service obligation will begin either upon release from WCAP or completion of any remaining service requirement, whichever occurs later.

(a) Active Army soldiers. Active Army soldiers must submit applications through their chain of command to the address below. Application packets must contain DA Form 4187 (Personnel Action) and DA Form 4761 (Athletes' Application): Commander WCAP Detachment ATTN: Sports Specialists, Bldg 1662 Fort Carson, Colorado 80913.

1. Enlisted personnel must submit a copy of their DA Form 2A and 2-1 (Military Personnel Record); NCOs must submit copies of their three most recent evaluation reports (ER) (this may include academic ERs as well as NCO ERs).

2. Officers must submit a copy of their Officer Record Brief (ORB); and copies of their three most recent evaluation reports (this may include academic ERs as well as officer ERs).

3. Additional supporting documentation may include—

a. Two letters of recommendation or endorsement from qualified individuals not related to the applicant (e.g., coaches, supervisors, academic advisors, counselors, or teachers).

b. Listings of events with dates, sites, and results; newspaper clippings; civilian resumes, that will permit proper evaluation of the individual's athletic abilities and experience.

4. Proof of eligibility to represent the United States at the Olympic Games.

(b) Reserve Component soldiers (U.S. Army Reserve (USAR) and ARNG).

1. ARNG application packets will be submitted through the soldier's State Adjutant General for review and forwarding to USACFSC.

2. USAR application packets will be forwarded through the soldier's U.S. Army Reserve Command (USARC) to the USAR commander for review and forwarded to USACFSC.

3. RC application packets will include all forms and information listed in subparagraph *2*, above. In addition, these packets also must include a completed and approved DA Form 1058 (Reserve Component Personnel Actions Request); and a statement by the unit commander, approved by the State Adjutant General of the USARC commander, indicating they understand and acknowledge that soldiers will be placed on active duty through the Olympics and a position will be available for the soldier to return to his/her RC upon release from WCAP.

(c) Military training. Enlisted soldiers must complete basic training and advanced individual training (AIT) before entering the program. Officers must complete the Officer Basic course. Soldiers scheduled to attend, including those en route to advanced civil or military schooling, may enter after completing courses, and any Service obligations incurred.

(d) Release of soldiers from WCAP. WCAP will release soldier-athletes shortly after the conclusion of the Olympic Games for which they are training. WCAP will release soldiers who do not qualify for the Olympic Games when it is known they will not be named to the Olympic team. Soldiers may request release from WCAP at any time. WCAP will release soldiers who do not meet their athletic benchmarks or military benchmarks. WCAP will release soldiers who sustain injuries or ailments, which in the professional opinion of qualified medical authority preclude the athlete from being competitive at the elite level. Qualified health care professionals will evaluate every injured soldier-athlete and prescribe an appropriate time frame within which to carry out a rehabilitation program. If a soldier-athlete is unable to train or compete due to non-compliance with their prescribed treatment plan, or because they refused medical treatment, the Director of Sports Medicine will recommend release from WCAP. WCAP will release soldiers who fail to uphold the standards and ideals of good sportsmanship or military discipline.

(e) Soldier responsibility. All soldiers assigned to WCAP receive and sign a memorandum outlining requirements to maintain their military careers while assigned to the program. National rankings and international competition will not interfere with normal military progression. All WCAP personnel are soldiers first.

(7) *U.S. Army Parachute Team (USAPT) (Golden Knights).* The USAPT conducts Media Operations, competes in national and international skydiving competitions, conducts parachute demonstrations, and provides tandem jump opportunities to promote the Army, increase public awareness/public relations and support the Army accessions market.

Additionally, the USAPT tests and evaluates new parachute equipment and techniques and provides discrete support for Special Operations units while maintaining a positive command climate for our Soldiers, civilians, and their families.

(a) The mission of USAPT includes—

1. Maintaining positive media coverage for the United States Army, Accessions Command, Cadet Command, and U.S. Army Recruiting Command (USAREC).

2. Conducting parachute demonstrations to promote Army recruiting, retention, publicity, prestige, and esprit.

3. Maintaining a pool of highly skilled competitors for entry in national and international parachuting competitions with the goal of producing national and international champions.

4. Providing instructor personnel for technical advice and assistance and training for military and civilian parachutists.

5. Initiating or participating in research and development of equipment, techniques, and activities relating to freefall or static line parachuting.

(b) Unless waived by the Commander, USAPT, based on team requirements, Soldiers desiring to become members of the USAPT—

1. Will be volunteers and qualified as a USPA Class B parachutist and have 150 freefall parachute jumps.

2. Will be on active duty, or reenlist so as to have 2 years of service remaining upon assignment to USAPT.

3. Have no bar to reenlistment, including ineligibility to reenlist under AR 614–200.

(c) USAPT tryout applications are requested from—Commander U.S. Army Parachute Team, P.O. Box 70126, Fort Bragg, NC 28310–0126.

(d) Parent units of Soldiers selected for the tryout program are provided fund cite data to place soldiers in TDY and return status. Soldiers will be attached to the USAPT for the duration of the tryout program.

(e) The USAPT conducts periodic tryouts for selected qualified volunteers. Normally, tryout periods last 4 to 6 weeks. Final selections are made during this time.

(f) The Commander, USAPT, will submit a message request for reassignment of those candidates accepted for assignment to the team. Direct coordination between the Commander of USAPT, appropriate branches of HRC, and the Commander, HRC is authorized. The Commander, HRC will issue instructions directing assignment to the USAPT if a requirement in the appropriate grade and MOS exists and the individual is not on PCS orders to an overseas area.

(g) The Commander, U.S. Army Accessions Command performs

1. Team selection and training.

2. Operation and maintenance funding.

3. TDA preparation and maintenance.

4. Publicity and administrative and logistical support.

5. Approval for jumps conducted as part of the regular training program and for demonstrations at Fort Bragg.

6. Coordination of demonstration schedules with HQDA and the USAREC.

(h) The Chief of Public Affairs, HQDA, monitors demonstrations.

(i) The Commander, USAREC, maintains a priority list of requests for demonstrations to support recruiting sponsored events and funds for the USAPT.

1. CONUS and OCONUS requests for demonstrations are submitted annually for evaluation by the USAPT. Requests are submitted through command channels to OASD(PA) by 30 September. A scheduling conference, attended by representatives from OCPA, USAREC, and OASD(PA) is conducted each November to establish the following year's schedule.

2. Commands will assist non-DOD sponsors in preparing and submitting requests. Sponsors are advised of their responsibility to pay for the USAPT meals, lodging, local transportation, communications facilities, and a flat rate fee for the USAPT organic aircraft. Sponsors will pay the U.S. Government at standard per diem rates.

3. Commander, U.S. Army Recruiting Support Center, in coordination with the USAPT and OCPA, will reply to all USAREC sponsored USAPT requests. The Commander, U.S. Army Recruiting Support Center, will provide necessary information about approvals to the Commander, USAPT.

(j) The Commander, USAPT informs USACFSC of all international competition/sporting events in which the team participates. USAPT will submit country clearance requests for international travel to Commander, USACFSC.

(8) Presidential Sports Award Program. An incentive for maintaining high standards of individual fitness, the program recognizes those having made a commitment to fitness through regular participation in sports. Participation may include unit, intramural, IMA Region, and departmental sports programs.

(a) Detailed information is available from the Amateur Athletic Union, c/o Walt Disney World Resort, P.O. Box 10000, Lake Buena Vista, FL 32830–1000.

(b) As this program is self-supporting, a fee for emblems, pins, and certificates must accompany each application. Fees are paid by the participating individual or the local MWR fund for active duty military personnel, if approved by responsible commanders.

8–23. Swimming

a. Description. Army swimming programs promote fitness and recreation. Swimming programs may include learn to swim, water aerobics, swim & stay fit program (lap swimming), competitive swimming, and water safety and survival.

b. Funding. The level of funding is determined by the functions performed. Pools used primarily for military aquatic, physical fitness, combat training, and therapy, and aerobic activities (category A) are warranted more APF support than recreational swimming pools used for lap swimming (category B). Larger pools (aquatic centers) which provide a variety of recreational water activities, such as slides, kiddie pools, fountains, receive limited APF support (category C).

c. Lifeguards.

(1) Certification requirements for pool and open water lifeguards are in AR 215–3. Additional training requirements for swimming pool staff include—

(a) Pool operation and sanitation, per TB MED 575.

(b) Prevention of disease transmission orientation, per OSHA—Department of Labor 29 CFR Part 1910.1030.

(c) Hazmat training, if handling pool chemicals, per DODI 6050.5.

(2) Staffing requirements, except at MWR lodging and Army Lodging facility pools (see para *d*, below)—

(a) Supervising lifeguards are not detailed to any task that could be a distraction from maximum pool/patron supervision.

(b) Minimum of two certified lifeguards.

(c) Minimum of one certified lifeguard on duty, if the certified program leader is supervising in the immediate area.

(d) Additional lifeguards are at the area when more supervision/surveillance is needed, such as when—

1. Diverse activities such as lap swimming and recreational programs are being conducted at the same time.

2. Participants include high risk groups such as small children and nonswimmers.

3. The number of patrons exceeds 50 (see TB MED 575).

4. Facility design requires additional supervision for maximum surveillance.

5. Staff is cleaning or doing other maintenance tasks.

d. Lifeguards at lodging facility pools. Staffing requirements applicable to MWR lodging facility pools, such as AFRCs, inns, motels/hotels, cabins, cottages, and Army lodging program facilities, where the swimming pool is an ancillary activity of the lodging facility, are as follows:

(1) A risk assessment will be conducted to determine risk factors and effective protective measures to control identified risk. The risk management process is explained in AR 385–10. The risk decision document will define normal operating conditions such as hotel occupancy percentages and demographics of the clientele. When hotel usage is outside normal operating conditions, the risk assessment will be revised and the commander will reconsider the risk decision. For example, if a high school band convention uses the facility or a large military reunion is scheduled, the expected pool usage exceeds normal operating conditions.

(2) MWR lodging and Army Lodging Program facility pools will adopt the State or country standard for staffing of pools associated with lodging facilities located in the State or country.

(3) Absent any State or country standard, lifeguards are required.

(4) An individual trained and certified in Cardiovascular Pulmonary Resuscitation (CPR) is required to be on shift and available at the lodging facility whenever the pool is open.

(5) An individual will be designated and trained in pool sanitation, prevention of disease transmission, and HAZMAT.

(6) A written plan on first responder/emergency procedures in the event of patron water incidents is required.

(7) The local SJA will advise on the effect that the local State tort law has on the water safety measures.

(8) The minimum standards below also apply with the exception of paragraph (9)(*b*).

(9) Those MWR and Army Lodging Program facility pools without lifeguards, as determined by the risk decision document, will, at a minimum—

(a) Post conspicuous signs stating “No Lifeguards - Swim at Your Own Risk” and signs listing water safety and pool safety requirements, including pool operational hours. Signs must be visible from all angles of the pool area. Pool access will be prohibited during pool non-operational hours. The pool will be observed once each hour by the lodging facility staff when the pool is operational.

(b) Post signs requiring adults to accompany children under a certain age as determined by the installation child supervision policy.

(c) Provide readily available lifesaving equipment, such as ring buoys and reach poles.

(d) Have an easily accessible emergency phone in the immediate pool area. To prevent abuse, the emergency phone should be a “no dial” to the local “911 only” or to the local emergency call center if the 911 number is not local.

(e) Provide a written plan and schedule to the Safety and Preventive Medicine Offices that ensures the water quality checks are performed, pools are kept clean, and filter/chemical equipment are operated and maintained properly.

e. Lifeguards at outdoor recreation water-based programs. See paragraph 8–19 for safety requirements with regards to outdoor recreation water-based programs, such as at beaches and lake areas.

8–24. Transient housing facilities

a. Description. Transient housing (TH) facilities are operated under a single management structure. USACFSC has responsibility for the ACSIM for TH. Management, operational, acquisition, and resource guidance is outlined in AR 210–50 and this regulation.

(1) Unaccompanied personnel housing (temporary duty)(UPH/TDY) activities are APF mission function activities operated to house TDY personnel and other authorized users. NAFs may be generated by service charges (such as maid service) to support authorized NAF expenditures as authorized by AR 210–50. These activities are not MWR activities. UPH(TDY) facilities are identified by the DPW on real property records and are coded 720 and 724.

(2) Guest houses are MWR category C revenue-generating activities, operated to house PCS personnel and other authorized users. Guest house facilities are coded 740–32 on DPW real property records.

b. Guidelines.

(1) The DPW is the installation TH manager. Local guest house policies will be coordinated with the installation DCA (or equivalent).

(2) The DCA (or equivalent), as the garrison commander's MWR business advisor, will provide guidance and NAF program oversight on matters pertaining to guest house NAF budgeting, financial management, operating standards, and capital improvement. As the garrison commander's NAF technical advisor, the DCA (or equivalent) will provide NAF technical advice to the lodging fund manager.

(3) The following NAFIs provide NAF resources to TH:

(a) Lodging funds. NAF resources generated from UPH(TDY) activities, which include Visiting Officers' Quarters, Visiting Enlisted Quarters, Distinguished Visitors Quarters, and UPH Permanent Party housekeeping service, are administered by a separate billeting NAFI at each installation and at Department of the Army (USACFSC). Lodging fund NAFIs will adhere to policies provided in this regulation, such as those concerning fiduciary responsibility, NAF property management, and prohibited uses of NAFs.

(b) IMWRF. NAF resources supporting category C MWR guest houses are administered as an integral part of the IMWRF.

(4) Guidance for the computation of service charges for UPH(TDY) activities is contained in AR 210–50 and annual budget guidance issued by USACFSC. The DCA (or equivalent) issues local guidance on service charge practices for category C MWR guest houses, with due consideration for NAF CPMC and IMWRF resourcing requirements. Guest house rates shall be set at the same rate for TDY and PCS personnel.

(5) USACFSC is responsible for the acquisition of MWR commercial lodging facilities and provides contracting support.

(a) Commercial MWR lodging facilities include hotels and motels located on military installations that are acquired through NAF contract. Normally, commercial sources provide financing, design, construction, operation, and maintenance.

(b) Commercial MWR lodging facilities provide quality accommodations for soldiers and families on PCS travel, and other authorized users. Generally, rates are set at 20 to 25 percent below the average rate for similar off-post accommodations.

(c) Garrison commanders (or delegatees) desiring to acquire commercial facilities will forward requests through the chain-of-command to USACFSC (CFSC-BPL), 4700 King Street, Alexandria, VA 22302–4402 or include proposals in the NAF construction program.

8–25. Youth Services

a. Description. Youth Services (YS) offers a range of positive activities for school-age children 6-12 years and teens 13-18 years that promote healthy development and ease transition to adulthood. YS programs encompass a variety of safe, supervised alternatives (weekdays during out of school hours, evenings, and weekends) that—

(1) Promote positive attitudes and reinforce Army core values;

(2) Contribute to the development of life skills and avocations;

(3) Instill values associated with the pursuit of sports and recreational activities in adulthood;

(4) Enhance or reinforce educational skills and learning opportunities for youth; and

(5) Reduce the likelihood of behaviors that put youth at risk and minimize parental lost duty time related to youth misconduct.

b. Goal. The goal of YS is to raise the quality of baseline service delivery across the board and eliminate disparity gaps among child and youth programs.

c. Guidelines.

(1) Youth, regardless of age, who are in grades 1–12, and whose sponsors are eligible to use MWR activities may participate in YS programs.

(2) For programming purposes, activities are organized to meet the 'age appropriate' needs of the following groups or comparable local school grade breakouts:

(a) 1st–3rd grades

(b) 4th–6th grades

(c) 7th–9th grades

(d) 10–12th grades

(3) Youth programs that encourage flexibility and choice are locally determined based on youth interests, family needs, and community circumstances. Age-appropriate activities and support services are offered in four service delivery areas. Installations must show a balance of activities provided across four service areas of sports and fitness; life skills, citizenship, and leadership; mentoring, intervention, and support services; and leisure and recreation. The activities within each of the above service areas are depicted in tables 8–4 and 8–5. Installations select their own activities from the four service areas.

Table 8–4
Activities within the service areas

School-age services	Middle school/teens
Sports, Fitness, and Health Options	
*Individual/Group Sports and Fitness Activities	*Individual/Group Sports and Fitness Activities
Teams	Teams
Lessons	Lessons
Skill Building Clinics	Skill Building Clinics
Nutrition Education	Nutrition Counseling
Health Services	Health Services
“Pick Up” Sports	“Pick Up” Sports
Special Olympics	Special Olympics
Tournaments	Tournaments
Non-competitive Physical Activities	Non-competitive Physical Activities
Life Skills, Citizenship, and Leadership Opportunities	
*Pre-Teen Council	*Youth Council
*Youth Sponsorship	*Youth Sponsorship
*Community Service	*Community Service
*Workforce Preparation	*Workforce Preparation
*Computer Labs	*Youth Computer Labs
Ecology	Teen Discovery/Forums
Civic Experiences	Civic Experiences
Life Skill Workshops and Classes	Life Skill Workshops and Classes
Character Education	Character Education
Youth Organizations (that is, 4–H, Scouts, YMCA)	Youth Organizations (that is, BGCA, 4–H, Scouts)
	Youth Entrepreneur “Businesses”
	Youth Exchange Programs
Arts, Recreation, and Leisure Activities	
*Self-Directed Activities (formerly Open Recreation)	*Self-Directed Activities (formerly Open Recreation)
Skill Building Classes	Skill Building Classes
Educational Tours	Educational Tours
Individual and Group Lessons	Individual and Group Lessons
Camping and “Challenge” Experiences	Specialty Camps
Recreational Trips	Recreational Trips
Social Events and Clubs	Social Events
Competitions	Competitions
Cultural Arts	Cultural Arts
	Youth Organizations (that is, BGCA, 4–H, Scouts, YMCA)
	Snack Bar/Cyber Cafes
Mentoring, Intervention, and Education Support Services	
*Homework Centers	*Homework Centers
Home Alone Skills	Home Alone Skills
Child/Youth Abuse Protection	Child/Youth Abuse Protection Program
Mentor Programs	Mentor Programs

Table 8–4
Activities within the service areas—Continued

Tutoring	Tutoring
Conflict Resolution Training	Conflict Resolution Training
Peer Mediation	Peer Mediation
Health Services	Health and Counseling Services
Parent and Youth Activities	Parent and Youth Support Groups
Personal Safety	Personal Safety
Substance Abuse Prevention Education	Substance Abuse Protection Education
	Youth Crime and Violence Protection
	Juvenile Board

Notes:
[1] *Indicates baseline program

Table 8–5
Framework for youth sports and fitness programs

Team sports	Individual sports
*Baseline Activities (Minimum of two additional locally selected baseline activities)	(Minimum of three locally selected baseline activities)
*Soccer	Gymnastics
*Baseball/T-ball	Tennis
*Basketball	Martial Arts
Softball	Golf
Hockey	In-Line Skating
Swimming	Bowling
Bowling	Racquetball
Double Dutch	Track
Flag Football	Wrestling
Tackle Football	Ice Skating
Cheerleading	Swimming
Volleyball	Table Tennis
Water Polo	Skiing
Team Handball	Archery
Fitness and Health	Outreach
*Baseline Activities (Minimum of one additional locally selected baseline activity)	*Baseline Activities (Minimum of one additional locally selected baseline activity)
*Nutrition Counseling/Education	*Intramurals (SAS/MST)
*Health Promotion Classes/Events	*Motor Skill Activities (CDC, FCC, SAS)
Aerobics	*Skill Building Clinics (SAS/MST/Community)
Swimming Laps	*MWR Partnerships (that is, golf, bowling, WCAP)
Weightlifting	School Partnerships
Biking	Community Sports Leagues
Fitness Trails/Challenge Courses	“Pick-Up” Sports (Youth and School Age Centers)
Hiking	Outdoor Adventure Experiences

(4) The establishment of a youth sponsorship program is required at each military installation to facilitate the integration of youth of installation personnel into new surroundings when moving to that military installation as a result of a parent's permanent change of station (PL 104–106, National Defense Authorization Act of 1996).

(5) As a category B MWR program, APFs are authorized and used to the maximum extent available (see app D). The charging of annual registration and/or activity fees is permissible to recoup NAF program expenses.

(6) Youth are supervised at all times by a combination of paid YS employees and adult volunteers. A 1:15 adult (paid staff) youth ratio is required for before and after school, school-age care options regardless of location. The following guidelines are strongly recommended as the basis for staffing all other school-age and teen programs:

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

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

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

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

(e) Adult volunteers may supplement paid employees to meet ratios for occasional special events, such as dances, and field trips.

(f) Lower ratios (more adults per youth participants) may be necessary if required for health and safety reasons, such as rappelling and white water rafting.

(7) Personnel employed in support positions, such as clerical, maintenance, supply, and food service, are not counted in determining staff supervision ratios.

(8) Youth staff are trained and competent to handle the age group to which they are assigned. All personnel who work with school-age children will complete the DOD School-Age Training Modules within 18 months of hire, regardless of the Army Child and Youth Program to which they are assigned.

(9) Staff responsibilities should include the following guidelines.

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

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

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

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

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

(10) Staff outreach should observe the following guidelines.

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

(b) Organization and command membership in professional, trade, civic, and other such organizations is authorized in accordance with chapter 4, this regulation, and AR 360–1.

(c) Youth sports personnel may participate in activities sponsored by local affiliates of national governing bodies listed in table 8–2. Contracting for officiating services is prescribed in paragraph 8–21.

(d) YS programs are encouraged to form partnerships with on- and off-post community and youth organizations to deliver programs more effectively. See chapter 6 pertaining to agreements with local governments and contact USACFSC (CFSC–CYS) regarding MOUs with national youth organizations.

(11) YS staff in conjunction with Child Development Services (CDS) staff will support School-Age Services (SAS) (formerly School-Age/Latch Key (SA/LK)). Regardless of SAS physical location or organizational structure, both YS and CDS maintain functional responsibilities, contribute financial, manpower, and facility resources, provide subject matter programming and training expertise in out-of-school care and recreation options before and after school, during

school holidays, vacations, teacher in-service days, and school closures due to inclement weather. The primary focus of SAS is providing supervised out-of-school options for children 6–12 during parental work hours.

(12) Activities for youth are conducted on or off post in YS centers, teen centers, SAS facilities, community and DOD Education Activity schools, and MWR and religious education facilities through partnerships with MWR staff and chaplains.

(13) Activities for school-age children and teens are generally conducted separately by—

(a) Scheduling different time blocks for each age group within the same facility; and/or

(b) Designating special teen areas within the youth center or other facility; or

(c) Operating a stand-alone teen center.

(14) Open recreation is made available to the general youth population and as program option of after-school programs for both school-age children and teens.

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

(16) CYS staff is responsible for providing program data to the SAS coordinator to complete the SAS Annual Report (RCS CSGPA 1734).

(17) Programs must comply with applicable statutory requirements and Department of Defense policies. Youth program procedural guidance issued by USACFSC (CFSC-CYS) will supplement policy guidance contained herein and other regulations applicable to youth programs.

8–26. Community Activity Centers

a. General. Community Activity Centers (CACs) offer a cost savings alternative to separate facility programs. Recreation centers, BOSS, entertainment, arts and crafts, fitness, equipment checkout, and other MWR activities should be considered for delivery in CACs as determined by market analysis. Food service is made available in CACs where feasible.

(1) Renovation and/or expansion of best available existing facilities to serve as CACs are encouraged. Examples are conversion of arts and crafts shops, gyms, recreation centers, former enlisted, noncommissioned, and officer' clubs, and others as available.

(2) Guidance for redesigning/renovating existing structures as CACs is in DG–1110–3–142 and definitive plans issued by USACFSC.

(3) CACs may be located where users live, in troop barracks or family areas, and/or in the installation "downtown" area near other centralized facilities.

(4) CACs should be operated using the single manager concept of facility operation.

(5) Consolidation of formerly separate programs and a single manager operation does not eliminate the need for technical expertise and programming in each major program operated in the CAC.

(6) The CAC operations are funded according to the system authorized each component activity (category A, B and/or C) and each activity retains its own program code.

b. Recreation clubs. (Excluded are military clubs discussed separately in this chapter and private organizations which are governed by DOD 5500.7-R and DODI 1000.15).

(1) Recreation clubs may be established for activities of a specialized nature. Examples of recreation clubs are archery, drama, ceramics, photo, horseback riding, skeet shooting, skiing, and sports such as baseball and rugby.

(2) Clubs are operated as part of the community recreation program to include budgeting, procurement, and personnel administration. A club representative designated by the program manager may collect fees and/or charges for an event; however, any on-going activity or facility operation which handles funds is staffed by a community recreation employee. All property purchased or provided by the Government is Government property. Recreation clubs may sell memberships; plan, publicize, and conduct activities; and operate facilities. Events and activities are opened to authorized MWR patrons; however, where safety is a consideration, certification or licensing may be a requirement.

(3) Funding depends upon the category of the recreation activity. Examples of category B recreation clubs include varsity baseball, drama, ceramics, archery, woodworking; category C recreation clubs might include skeet shooting, boating, horseback riding, and motorcycling.

c. Unit recreation. Unit recreation includes planning and conducting recreational activities and operation of recreation facilities located in unit areas by unit personnel.

(1) Unit recreation is designed to develop recreation opportunities within units.

(2) At least one recreation or sports specialist should be available to work with and assist each brigade size unit. Duties include—

(a) Coordinating recreation program/activities for the unit.

(b) Training military personnel designated by the unit commander to assist in program delivery, selecting and procuring MWR supplies and equipment, scheduling transportation and operating activities.

(c) Operating unit recreation facilities.

(d) Coordinating participation of unit teams in installation level competitions/events.

(e) Participating in mobilization planning and training.

(f) Budgeting for, procuring, and maintaining adequate recreation equipment and supplies during peacetime and deployment.

(g) Serving as USO liaison and DOD touring coordinator.

(3) At the discretion of the unit commander (in the event of unit deployment) unit civilian recreation/sports specialists may deploy with the unit or follow as soon as requested by the commander (See sec IV, this chap.)

d. Contractor operations, concessionaire support, and other agreements. To maintain, expand, and/or enhance MWR opportunities, these agreements may be used for but are not limited to operating on-post activities, resale concessions affiliated with established operations, offering special events such as commercial shows or carnivals, and instructor services.

(1) Written, cooperative agreements for authorized MWR patrons and their family members to use off-post programs and facilities may be entered into to provide the most cost effective delivery of activities. Off-post facilities/programs are surveyed to determine suitability, accessibility, and affordability for patrons. They are not duplicated on-post.

(2) APFs are authorized for fitness extension services as outlined in paragraph 8–14 of this chapter. Available NAFs may be used to contract with off-post facilities to supplement on-post MWR activities or where there is no MWR program on post.

(3) Chapter 6 of this regulation addresses use of MWR facilities by non-DOD personnel.

Section III
Mobilization, Contingency, and Wartime Operations

8–27. Responsibilities for providing MWR

a. This section contains responsibilities for MWR during exercises, mobilization, deployment, contingency operations, combat, maneuvers, redeployment, and demobilization. More detailed MWR responsibilities for company/battalion, brigade, division, corps, theater, and installation are outlined in FM 12–6.

b. MWR support is mission funded during war and other conditions covered in this section. MWR activities are necessary to maintain physical fitness and to alleviate combat stress by temporarily diverting soldiers' focus from combat situations. Commanders of deployable units, active Army, and Reserve Components ensure that MWR support for mobilization, contingency, and wartime operations is planned in peacetime and included as a priority in the mobilization/deployment process. Emphasis on MWR programs varies with the tactical situation and are adapted to suit conditions. At the same time, active duty and deployable Reserve and National Guard soldiers and civilians must believe with some degree of certainty that family members left behind in CONUS or safe havens will receive necessary services.

c. Unit commanders must assume a major responsibility for their own recreation, especially during early stages of deployment. Each unit is responsible for acquiring, assembling, and shipping its own 30-day supply of athletic and recreation (A&R) and library book kits as well as operating athletic activities, recreation programs, unit lounges, and AAFES Imprest Fund Activities (AIFA). Commanders ensure successful and continuing recreation programs by providing MWR staffing and logistical support.

d. Supporting guidance and MWR responsibilities are in other publications, as follows:

(1) MWR doctrine—FM 12–6, chap 7.

(2) Mobilization doctrine—FM 100–17.

(3) AAFES Imprest Fund Activities (AIFA)—Exchange Operating Procedure 08–01.

(4) Emergency Operations, Exchange Operating Procedure 08–04.

(5) Army Mobilization and Operations Planning and Execution System, Appendix 8 (Family Assistance) and 9 (MWR), Annex E (Personnel).

(6) Child Development Services—AR 608–10.

(7) Military/AAFES-Operated Tactical Exchanges, Exchange Operating Procedure 08–06.

8–28. MWR staffing

a. Commanders may identify appropriate civilian positions on the MTDA to be prepared to deploy into the theater of operation to support recreational requirements. Identification of individuals is based on the number of personnel available, local requirements after units deploy, and the needs of the deployable unit. Personnel in these positions are battle-rostered to the brigade or larger sized units. They may deploy with the unit to accomplish higher staff MWR responsibilities and assist unit athletic and recreation (A&R) officers/noncommissioned officers (NCOs) in planning

and executing MWR programs, supply, equipment, procurement, transportation, maintenance, training, and USO liaison; and act as DOD touring show coordinators.

b. Division, corps, and Army headquarters execute recreation programming, financial management, business operations, transportation coordination, and supply in support of the MWR deployment mission. The theater Army component headquarters, through the theater PERSCOM, provides administration, logistical, financial, and accounting support, and management control oversight for MWR activities in the theater.

c. For designated MWR civilians, necessary personnel actions include—

(1) Designation as Emergency Essential, with required documentation.

(2) Training in survival skills (nuclear, biological, chemical (NBC), first aid, and mobile programming).

(3) Fulfillment of deployability requirements (medical, physical condition, equipment issue, processed for overseas replacement).

(4) Inclusion of mobilization and deployment duties in position descriptions.

d. Until deployed, all associated logistical support and civilian personnel costs remain the responsibility of the parent installation. Once deployed, MWR specialists are battle-rostered to the theater command staff and paid for with contingency funds, to include special in-theater differentials (hazardous duty). If NAF MWR specialists are used, contingency funds will repay the NAF account using DOD MWR Utilization, Support, and Accountability rules. This allows temporary backfill of the affected position using parent installation funds.

e. Commanders of deployable/deployed company, battalion, and brigades appoint an officer or NCO as the unit A&R officer/NCO. The unit A&R officer/NCO, assisted by the MWR specialist, serves as the focal point for the unit MWR program, responsible for unit MWR supply, equipment, transportation, and training. Upon deployment, the MWR specialist and unit coordinator supervise unit activities and operators (AIFA, unit lounge, recreation area).

f. MWR recreation personnel (APF or NAF) from installations not affected by deployment may volunteer to be placed on a list of deployable civilians maintained by USACFSC.

g. Other alternatives to MWR specialists include the Logistical Civilian Augmentation Program and contract personnel.

8–29. Training

MWR specialists undergo training as coordinated with installation CPO and USACFSC. Unit A&R officers/NCOs are trained by MWR specialists. Training includes recreation programming, operation of unit lounges, unit fund management, and establishment/ maintenance of corps/division/brigade packages and unit A&R kits. Local AAFES managers furnish AIFA materials and training for coordinators and specialists. Other training materials are provided by USACFSC.

8–30. Kits and other supplies

a. MWR A&R kit equipment tailored to unit needs is procured and maintained locally. Items that can be deployed with the unit to support unit, self-directed recreation activities include, but are not limited to, music listening equipment, cards, board games, balls and bats, volleyballs, badminton, and horseshoes. Some small games and athletic equipment are available through normal Army supply channels. Table 53, Common Table of Allowances (CTA) 50–909, lists recreation kits—athletics, recreation kits, and small games kits. Corps/division/brigade MWR service-level kits, in addition to A&R items, include larger items such as VCRs, TVs, computers, computer games, weights, kareoke, and keyboards. All MWR kits are authorized APF expenditures.

b. Commanders are responsible for periodic inspection, packaging, and transportation of kits, and assign priority in unit loading plans to ensure timely arrival in the theater. Non-expendable items are accounted for on unit property books as deployable equipment.

c. Books and periodicals may be provided in the following ways:

(1) Installation MWR libraries provide each deploying unit a 30-day supply of book kits for leisure reading, which units transport and distribute.

(2) USACFSC provides additional paperback book kits directly to units deployed over 30 days and magazine/ newspaper kits when operations continue beyond 3 months. The method of distribution is determined by USACFSC with input from receiving units. Funding is provided by the unit for magazines/newspapers. When feasible, unit funds purchase local newspaper subscriptions for direct mail.

d. Free motion pictures and videos are provided by AAFES in combat and other remote overseas areas (AR 60–20). Units will provide TVs, VCRs, and projectors from mission funds.

8–31. Other MWR activities in contingency and combat operations

a. Deployed troops receive entertainment in coordination with USO and Armed Forces Professional Entertainment Office (AFPEO). After deployment, civilian entertainment is requested by unit commanders through the Corps Commander, who forwards requests to AFPEO and endorses security certification and logistical support for civilian entertainers in deployed areas.

b. Existing military clubs in the theater continue to operate if conditions warrant. New ones may be situated in

secure areas (rest areas and R&R centers) after a NAFI is established. Services should include food, beverage (alcoholic beverages, if approved by the theater commander), entertainment, and other recreation, and check cashing and currency conversion as determined by the tactical situation. The theater provides oversight of NAF, management controls, and club activities. Goods and services are procured from the most advantageous source.

c. Unit lounges may be established in active theaters or areas of operation during mobilization, contingency operations, and wartime. Operational and management controls, a theater responsibility, are established similar to those for military clubs. The theater commander may authorize a recreation center to provide food and beverages and activities available normally in clubs. SOPs provided by the parent installation are used in the absence of theater guidelines.

d. To provide Western-style services in a secure area, the following types of rest centers are authorized:

(1) Rest areas in theater or corps areas, established by commanders of Army units, give soldiers a short respite from combat or combat support duties. Rotation, including transportation, is normally less than one week. Soldiers have as many services as the commander can logistically secure and support. Assets to establish and operate a rest area come from unit resources.

(2) Based on theater needs, DOD Rest and Recuperation (R&R) Centers may be established. Resorts and other suitable facilities located at a reasonable distance from combat areas, outside the theater of operation, may be identified as R&R destination sites by the theater commander. Subsequent to DOD approval of a theater request, program execution is a theater responsibility.

(3) Armed Forces Recreation Centers (AFRCs).

(a) If feasible, existing AFRCs within the theater of operation may be designated to function as rest areas. Existing support agreements between USACFSC and appropriate theater commanders are amended for extraordinary mission requirements. TDA support for AFRCs is limited to command supervision; any additional people are provided by the theater commander.

(b) AFRCs outside the theater of operation may be designated for use as R&R centers. USACFSC equips AFRCs to support R&R requirements to include billeting, food and beverage, and Western-style recreational opportunities.

e. The Army Recreation Machine Program (ARMP) may continue service within authorized theaters of operation, subject to availability of facilities and civilian employees. Upon evacuation of civilian employees, the local commander may assume operational responsibility for both machines and operations, once a modified ARMP SOP is provided by USACFSC. Upon suspension of the program or closure of facilities, NAFs are deposited or funds and equipment retrograded in accordance with ARMP SOP or applicable property disposal regulations.

f. Commanders work with the USO to establish USO Service Centers and the AFPEO for celebrity entertainment. The civilian recreator or unit A&R officer/NCO serves as liaison with USO to support joint MWR services.

8–32. Financial operations

a. Installations. Any impact to any MWR activity as a result of contingency operations (for example, expansion of MWR activities due to backfill of reserve units or increase in use of family programs, (youth and child care) or decrease in use of MWR activities as a result of deployment) shall be mission funded with APFs to the fullest extent authorized. IMWRFs electing to use their NAF resources to support contingency-impacted MWR activities will not be reimbursed from the AMWRF. NAF expenditures are limited to those expenses where nonavailability of APFs are certified to, as required by chapter 4, this regulation, and for resale operations. IMA Regions have the flexibility to cross level NAFs in order to assist severely impacted installations. The cross leveling of funds is a balance sheet entry and affects cash and fund equity (for accounting purposes, see DOD 7000.14, volume 13).

b. In-theater MWR. All categories of MWR activities shall be mission funded with APFs per FM 12–6 (chap 7). This does not include resale operations, such as the purchase of alcohol or other merchandise or services for resale. The expenditure of NAFs as outlined above applies. A theater NAFI may be established in accordance with this regulation and in coordination with the theater Army comptroller. Requests for initial NAF support may be requested from USACFSC (CFSC-FM), 4700 King Street, Alexandria, VA 22302–4406. Requests are forwarded by the theater Army component with an estimate of the total number of deployed soldiers being supported, justification for the request, and the amount of NAF required. A local bank account will be established prior to transfer of NAFs.

8–33. Installation MWR services

a. Installations of deployed units continue to offer basic MWR activities as long as possible during all levels of contingency operations/mobilization. Program restructure through reallocating resources, detailing personnel, and redirecting on-going programs toward a larger family member population may be necessary. Commanders may close or curtail programs and reallocate MWR facilities and equipment for tactical use at any time after all other alternatives have been considered. If closed, facilities may be reopened and programs reinstated as the situation stabilizes.

b. Installation requests to suspend user fees may be approved by IMA Regions at any reasonable or appropriate point during contingency/mobilization operations.

c. IMA Region and installation, both CONUS and OCONUS, contingency/mobilization plans are followed for restructuring MWR programs by establishment, modification, termination, and/or reestablishment of services.

(1) Plans include specific details on the disposition of funds, property, and records; release, addition, or diversion of personnel; maintaining essential and prudent management controls; and expansion or increased use of facilities.

(2) OCONUS plans designate emergency essential civilians; release of non-combatants during noncombatant evacuation operation (NEO); a MOB TDA; facility closure procedures; temporary facilities, prepositioned MWR supplies and equipment, and transportation within theater.

d. A Memorandum of Understanding (MOU) with the off-post community is developed to use existing community services as needed.

8–34. Redeployment/demobilization

Upon redeployment or demobilization, NAF accounts will be correctly closed, NAFIs will be disestablished as necessary, and MWR equipment in theater accounted for. MWR equipment issued to units in theater will revert to the theater MWR.

a. Unit funds revert to the theater NAFI upon redeployment of the unit. Units do not retain proprietary interest in any funds provided by Army MWR. Theater NAFI funds revert to USACFSC or remain in theater if there is an established and continuing IMWRF.

b. MWR operations consolidate or close as the number of soldiers diminish. Funds, property, and records are properly accounted for and turned-in. Rest areas and R&R centers request and receive equipment and supply disposition instructions from USACFSC or the theater MWR in areas that have a continuing IMWRF.

c. Theater Army and corps staffs establish and implement policies for MWR equipment turn-in and redeployment. These policies will ensure that supplies and equipment turned in are used in support of any residual forces. Funds, property, and records are properly accounted for and turned in per above policies.

d. Residual force support should observe the following guidelines.

(1) Prior to closing the theater NAFI, a separate unit fund to support any residual forces is established. Funds are furnished from the theater or requests for funding forwarded to USACFSC.

(2) The Army component commander ensures that the residual force is fully supported with MWR equipment and supplies. Units keep all items that they have procured or signed for unless the unit is located in an established OCONUS IMA Region. Ownership remains with the OCONUS IMA Region. Accountability is in accordance with standard Army supply procedures.

e. As required, after-action MWR reports are forwarded to the Commander, USACFSC, ATTN: CFSC-SP (Lessons Learned), 4700 King Street, Alexandria, VA 22302–4419.

Section IV
Operation of MWR Activities at Closed Installations; Unauthorized MWR Activities

8–35. Closed installation MWR policy

The following applies to the continued operation of MWR activities after the installation has ceased to have a full-time active duty mission:

a. IMA Regions will make the final determination to continue to deliver MWR activities on closed installations to serve the remaining active duty population on the former installation and in the immediate area even though the installation no longer has a full-time active duty mission. Primary consideration is given to the active duty population; however, facility and activity requirements will consider use by all authorized patrons.

b. MWR activities will complement the local community reuse plan and have written local community support from the local government(s) in the immediate area surrounding the closed installation. MWR activities may be delivered in a wide variety of alternatives, in-house MWR owned and operated, arrangements with outside enterprises through partnership programs with the surrounding communities, and contracts are all acceptable methods for delivery of MWR activities.

c. The closed installation will be over 20 miles from another installation or a government-owned or contracted housing area authorized MWR support. If the active installation is fewer than 20 miles from the closed installation, the active installaltion's MWR program must be able to accommodate the additional patronage from the closed installation.

d. Construction or expansion of MWR facilities should not be required. Renovations, maintenance and repair, and minor construction on existing facilities are allowed when justified. Excess capacity will not be artifically created through unnecessary continuation of existing activities or construction or modification of facilities.

e. As with continued operation of all MWR activities, patron demand will be determined by market analysis to measure sales, market trends, patron affordability, and the ability to maintain financially viable programs. The scope of the program will be commensurate with the remaining active duty force and other authorized patrons in the market area.

f. The requirement for APFs will be commensurate with the size of the active duty population using MWR activities. IMA Regions will ensure annually that minimum patron requirements are met under this criterion.

g. When the installation no longer has active duty or reserve personnel remaining on the installation, all MWR activities will be closed.

8–36. Prohibitions

The following activities are not authorized within MWR activities or as MWR programs:

a. Lotteries or sale of lottery tickets.

b. Pull-tab bingo.

c. Sale of firearms or ammunition, except in rod and gun activities, outdoor recreation programs, shooting sports centers, skeet and trap programs, or other MWR category B programs as determined by the local commander.

d. Sale or redemption of chit books related to the sale of alcoholic beverages.

e. Award of coupons for reduced prices on alcoholic beverages or tobacco products.

f. Sale of State excise tax-free tobacco products through vending machines (see tobacco vending machine policy at para 7-41f).

g. Grey area gambling devices. These devices are unlawful under the provisions of 15 USC 1171 and cannot be operated on federal property in the United States and Puerto Rico. Determining factors as to whether a game is a gambling device or an amusement machine include—

(1) If skill alone determines whether or not the player wins, the game is most likely legal.

(2) If skill plays no part in whether or not the player wins, the game is most likely unlawful.

(3) In cases where both skill and chance determine the game outcome, the predominance of chance versus skill is the determining factor (if the game is chiefly a game of chance, the game is unlawful and considered a grey area gambling device.)

(4) The presence of coin chutes, credit meters, reel strips, and capability of payouts in the form of cash or prizes indicates an unlawful grey area gambling device.

Director of Community Activities
Fort Swampy
Fort Swampy, LA 22222-2222

ABCD-DCA

MEMORANDUM FOR COMMANDER, U.S. ARMY COMMUNITY AND FAMILY SUPPORT CENTER, ATTN: CFSC-SF-R, 4700 KING STREET, ALEXANDRIA, VA 22302-4418

SUBJECT: Request for Reimbursement

1. Request reimbursement as provided for in AR 215-1, for funds expended by Fort Swampy, for individuals named below. Individuals were participants in Boxing, held at Fort Hayley, Oklahoma during the period 21-30 April 1995.

Name	Grade	SSN	Travel Expense	Per Diem Expense
Albert Jones	SFC (E-7)	222-33-4444	$250	$450
James Brown	SSG (E-5)	555-66-7777	$250	$450

2. Copies of supporting vouchers, receipts, and travel orders are enclosed. The point of contact for this action is CPT John Clark, DSN 888-9999.

Encls
1. Tvl Voucher—Jones
2. Tvl Voucher—Brown

DAVID D. DART
Major AGC
Adjutant

Figure 8–3. Sample format for requesting reimbursement of funds for participants in Army trial camps and competitions

Chapter 9
MWR Personnel

Section I
Management

9–1. Overview

The MWR work force includes military and APF and NAF civilian personnel. Although military personnel and each category of civilian employees are included in separate personnel management and professional development systems, MWR managers must manage all fairly and equitably in accordance with applicable policy. Sources are—

a. AR 570–4 for general manpower management and use.

b. This regulation, including appendix D, for MWR staffing and use of military personnel in support of MWR activities.

c. AR 614–200 for enlisted personnel management.

d. AR 215–3 for NAF personnel and manpower management and part-time employment of enlisted personnel.

e. The Caregiving Personnel Pay Program (March, 1990) for Child Development Services.

f. OPM Federal Personnel Manual (FPM) and Handbook X-118 for Federal civilian personnel management, which is implemented by the AR 690-series.

9–2. Implementation

a. Requirements for military and APF and NAF personnel are authorized and budgeted separately. Budgets include provisions for training, travel, and all other personnel-related expenses.

b. Except as otherwise provided for in this regulation and AR 215–3, the servicing NAF Human Resources Office provides personnel management support for NAF civilian employees on the same basis as for APF civilian employees.

c. Activity managers have approval authority over the work schedules of all assigned personnel including overtime hours for civilian employees. Managers reconcile work schedules with time and attendance records and submit required documents to the servicing finance and accounting office (FAO) or CAO.

d. Military personnel employed by MWR activities on off-duty time may not be paid from APFs.

Section II
Requirements

9–3. Requirements for APF positions

a. Commanders ensure that all APF positions, military and civilian, are properly established or validated in accordance with AR 570–4 and this regulation. APF personnel resources are used to support MWR activities as authorized in this regulation. Resulting requirements are approved per AR 570–4. In addition to the specific authorizations in appendix D, APF personnel performing the following common support functions are authorized:

(1) HQDA- and IMA Region-level management functions. The following criteria must be met:

(a) The person performs functions related to regulatory requirements and devotes most of the duty day to developing or implementing policy, monitoring compliance and providing oversight, conducting on-site inspections, reviewing program performance, or providing direct administrative support to the aforementioned functions.

(b) Functions actually performed match the job description and are included in the organization's mission and functions statement.

(c) The persons performing the functions do not directly operate a program that generates revenue.

(2) Installation-level command supervision. Functions for general management and operation of more than one MWR activity, including the following:

(a) Directors, division chiefs, and their assistants.

(b) Comptrollers and FAOs.

(c) CAOs.

(d) Administrative support positions directly related to the above.

b. When both APF and NAF functions are performed by the same office, APF functions qualify for APF support.

c. For NAF personnel, see AR 215–3 and this regulation.

d. Special duty (both borrowed military manpower and troop diversion) military personnel may be temporarily assigned or detailed to MWR activities not to exceed 90 days, as outlined in appendix D. They must have a noncritical MOS, be awaiting reassignment or other personnel action, and not currently required to perform their MOS. (See ARs 570–4 and 614–200 pertaining to utilization of military personnel.)

e. Civilians will be used to staff MWR activities to the maximum practical extent consistent with SOFAs and country-to-country agreements and treaties.

9–4. NAF personnel requirements document

a. The DA Form 5556 documents NAF personnel requirements. The personnel requirements documents (PRD) (DA Form 5556), functionally similar to the TDA that documents APF personnel requirements, is used by management to control authorization levels and for budgeting, developing 5-year plans and pricing strategies. The NAF Human Resources Office uses the DA Form 5556 as a basis for NAF staffing actions. A sample of a completed DA Form 5556 is on the MWR Web site @www.armymwr.org in policy documents under Human Resources.

b. Each NAFI employing NAF personnel will maintain a PRD. Upon annual approval, the DCA or equivalent, will ensure that the MWR 5-year plan includes sufficient NAF resources and budgets meet projected NAF personnel expenses.

c. The PRD is based on validated positions. Additional considerations included in the preparation of the PRD include—

(1) The PRD will indicate those positions that are authorized APF support (under the DOD MWR USA (see para 4-3)) whether or not available APFs exist to reimburse the expenses of the employee occupying the position.

(2) Excess flexible requirements are included, since flexible employees only require obligation of funds for hours actually worked. Excess regular requirements, however, are not included since they require the obligation of funds, regardless of hours worked.

d. The completed PRD is submitted by each program manager to the servicing Financial Management Office (FMO). The FMO will review the submission for accuracy and compare estimated costs with budget guidance. Upon completion of the review, the PRD will be forwarded to the DCA or equivalent for coordination and final action by the fund manager. Upon approval by the fund manager, the PRD is submitted to the NAF Human Resources Office to assign the paragraph and line numbers. The NAF Human Resources Office will return the PRD to the manager who will insert the name of the incumbent on the PRD.

e. Policies and procedures for filling NAF positions are described in AR 215-3.

Section III
Recruiting, Referral, and Selection for MWR General Schedule Employment

9–5. Recruitment

a. USACFSC administers an MWR referral program to assist commanders in filling MWR positions, both APF and NAF, at grades GS-09 and above, and NF-4 and above levels. This includes key managerial positions with responsibility for MWR programs, regardless of organization structure and titles, such as the Director of Community Activities (DCA) or equivalent. Referral lists are issued for MWR position vacancies in CONUS commands and activities and selected overseas commands. USACFSC recruits and issues courtesy lists for lower grade positions if local recruitment efforts do not produce acceptable candidates.

b. A DOD/OPM Interchange Agreement allows eligible DOD NAF employees to apply for Federal positions in the competitive service without being referred from an Office of Personnel Management (OPM) employment register.

c. USACFSC performs the following recruitment functions for APF positions:

(1) Prepares and issues Army-wide announcements to locate qualified candidates for referral to commands and activities. Open-continuous announcements are issued for position vacancies occurring frequently. Civilian personnel offices publicize all MWR vacancies to the civilian workforce and inform civilians of application procedures.

(2) Establishes and maintains a central inventory of applications for selected MWR positions identified in open-continuous announcements.

(3) Screens applications for eligibility and qualifications and conducts screening panels, as appropriate, to determine best qualified candidates to refer.

d. Application and registration procedures:

(1) All applicants for APF positions will prepare an OF 612, Application for Federal Employment (or SF 171, same title, until the supply is exhausted) and forward it to USACFSC, ATTN: CFSC-HRS, 4700 King Street, Alexandria, Virginia 22302–4407, with supporting documents described in the announcement. Applications are not returned.

(2) NAF employees must meet eligibility requirements contained in the DOD/OPM Interchange Agreement (see para 9–5*b*).

(3) Policies and procedures for filling NAF positions at NF-4 and above levels are described in AR 215–3.

9–6. Referral

a. Employing activities will submit a request for referral to USACFSC, ATTN: CFSC-HRS, 4700 King Street, Alexandria, Virginia 22302–4407, for all MWR positions vacancies, GS-09 and above, except as noted in this paragraph. The request must include a SF-52 (Request for Personnel Action) and a position description. Name requests of nomination of local candidates are not accepted.

b. USACFSC will prepare and issue DA Form 2600 (Referral and Selection Register) to employing activities for use in selecting qualified candidates. Referral lists provide the names of highly qualified candidates who are promotion, reassignment, transfer eligible, and reinstatement eligible, if appropriate. They also include the names of at least three qualified candidates identified through the centralized referral system, unless a minimum of three qualified candidates cannot be referred. Local recruitment is authorized only if three candidates are not available for referral.

c. Referral lists will specify expiration dates. Unless a formal request for extension of the expiration date is granted by the civilian personnel office, referral lists are invalid.

d. Referral lists are not provided for vacancies that occur under the following circumstances:

(1) Positions that are reclassified to a higher grade because of new or revised classification standards with no change in major duties, or positions that are reclassified to a higher grade because of additional duties and responsibilities.

(2) Positions filled by promotion on a temporary basis, if the original selection was made through competitive procedures.

(3) Temporary assignments (promotion or lateral) not to exceed 1 year.

(4) Personnel actions resulting from reduction in force.

(5) Vacancies identified for fill by qualified priority placement candidates.

(6) Vacancies that can be filled by lateral reassignment or transfers, if the candidates meet qualification requirements for the position and there is no known promotion potential.

(7) Reassignments or transfers to positions for development purposes.

9–7. Selection

a. Selection is made from the USACFSC referral lists unless local recruiting authority is authorized by USACFSC.

b. All persons on a USACFSC referral list are queried by the Civilian Personnel Advisory Center (CPAC) for interest and availability before the list is submitted to the selecting official. If all candidates on a list are considered unacceptable, the servicing CPAC must provide the USACFSC Staffing Office valid reasons for nonselection of each candidate before USACFSC can issue a supplemental list or authorize local recruitment.

c. When selection involves promotion of an acceptable candidate, the selecting official will record the reasons for selection on the referral list.

d. Upon final selection, the selecting official will notify the CPAC, which will coordinate directly with the losing CPAC. Candidates not selected are notified in writing by the CPAC. The gaining CPAC will notify USACFSC of the selection and return the referral list with copies of notification letters sent to those candidates not selected.

e. Normally, the selected employee is released from the current position within 15 days if the selection involves a promotion and within 30 days if no promotion is involved.

9–8. Use of Office of Personnel Management (OPM) certificates of eligibles

USACFSC may authorize use of Office of Personnel Management (OPM) certificates of eligibles only after the employing activity certifies that candidates on the USACFSC referral list do not meet the requirements of the position. The employing activity must clearly show that referred Army candidates do not have the experience, skill, knowledge, or ability to perform the duties of the position in an acceptable manner. Before selection is made from an OPM certificate, the CPAC will determine that the proposed selection from a certificate has superior qualifications to the Army candidates.

Section IV
Training and Professional Development

9–9. Guidelines

Every individual assigned to or employed in an Army MWR activity will have necessary educational opportunities to enhance near-term qualifications, efficiency, and productivity and to ensure long-term career development and progression. Training and career development guidance for Career Field 51 (MWR) is issued by USACFSC. Other policies governing the planning and conduct of training and career development include—

a. AR 614–200 and applicable MOS training and development policy for military enlisted personnel.

b. AR 690–950 for APF civilian employees.

c. AR 215–3 for NAF civilian employees.

9–10. Implementation

a. Except for requirements included in established military and civilian career development programs or career field Army Civilian Training, Education, and Development System (ACTEDS) Plan and mandatory training prescribed by HQDA or IMA Regions, primary responsibility for MWR personnel development rests with the local management, as the responsibility of all supervisors. Generally, individual plans are the responsibility of the supervisor or manager who writes the employee's performance appraisal. Plans developed are designed to complement the employee's professional development goals and satisfy requirements for employment and occupational, technical, or career development factors.

b. Training related management functions include, but are not necessarily limited to, the following:

(1) Developing individual training and professional development plans; including development of individual plans in performance standards of managers and supervisors.

(2) Scheduling of time and programming of resources to support plans; monitoring fulfillment.

(3) Assigning duties and responsibilities that reinforce training received, conducting on-the-job or cross-training programs to supplement formal training, identifying other requirements, and providing for general, unique, or specialized training or experience in addition to that prescribed in plans.

9–11. Individual training and professional development plans

a. The period of each plan should coincide with the performance appraisal cycle, although longer term plans may be developed to accommodate career growth.

b. That which is successfully completed as a condition of employment, either prescribed by DA or the employing activity, is mandatory and included in individual plans.

9–12. Mandatory HQDA training

The ACTEDS Plan for Career Field 51 (MWR) is a structured, progressive, and sequential approach to employee development and training for entry-level through executive-management positions. It identifies mandatory training which is mission essential and the employee must have to support and/or achieve an acceptable performance level. The employee must successfully complete the training within a specified timeframe; failure or non-completion is a factor in

determining whether or not the required probationary period has been completed satisfactorily. Equivalency credit for mandatory MWR functional requirements is considered by USACFSC for Career Field 51 (MWR), on a case-by-case basis. For Equivalency Credit for Mandatory Priority II MWR Functional Training, a written request may be submitted to: U.S. Army MWR Academy, Suite 400, 6245 Leesburg Pike, Falls Church, VA 22044. Requests will identify competencies (knowledge, skills, and abilities (KSAs)) obtained through work experience, formal education, correspondence study, or self-development and include supporting documentation, such as SF 50-B (Notification of Personnel Action) or DA Form 4017 (Request for Personnel Action-Nonappropriated Fund Instrumentality) verifying dates of work assignment, transcripts, and description of formal education courses. Requests will be endorsed by the first-line supervisor and the installation DCA or equivalent. Mandatory training, which is included in job announcements for MWR management positions, is centrally funded.

Chapter 10
MWR Planning and Programming

Section I
Installation MWR 5-Year Plan

10–1. Overview

The basis for installation MWR planning is the MWR 5-year plan. Updated annually, it is the management tool for justifying program elements and using resources. The 5-year plan documents—

a. Changes needed, as determined by market research, projected funding capability, and assessment of program alternatives.

b. Priorities established in the assessment process and actions needed to meet requirements.

c. Confirmation that the DOD required revalidation of installation NAFIs and MWR operations complies with chapter 5.

10–2. Guidelines

At a minimum, plans integrate results of—

a. Comprehensive review. Annual comprehensive review and consideration of all planning documents related to MWR operations.

b. Annual MWR needs assessment. (If used, attitude and opinion surveys are conducted in accordance with AR 600–46.)

(1) *Patron demographics.* Distribution of eligible population: grade, sex, age, marital status, and family members of active duty military population with percentage residing on post; retired and RC service members and full-time DOD civilian employees residing in the local community; and other eligible patrons.

(2) *Unique considerations.* Availability of similar private and public sector services; population life-style traits (interests, use of spare time, opinions); and environmental and geographical factors which may impact decisions. (Sources of information may include the DPW, local media, installation and Army demographic projections, public library and Chamber of Commerce resources, local colleges and universities, and results of market research furnished from in-house resources or contracted services.)

(3) *American lifestyle trends.* Regional, national and industry data, program-specific forecasts, general market projections for purchasing, leisure time patterns by age group, and predicted changes in American family demographics. (Sources may include national media, institutions of higher education, results of contracted literature reviews, business periodicals, and U.S. Departments of Commerce and Labor publications.)

(4) *Alternatives.* Identification of potential program or facility realignments: elimination, expansion, replacement, consolidation, or integration, and potential nontraditional methods for delivering services. In addition to reviewing availability of private and public sector services, contractor services are investigated, considered, and used when appropriate.

c. Priorities. Community conditions and projections and the desirability of services are the evaluative basis for determining priorities (not the availability of resources). Program elements are prioritized in a continuum, ranging from those which are given top priority to those which add variety to the overall program. An activity's impact on military readiness requirements and the physical and emotional needs of soldiers distinguish it for higher priority placement. Since priorities are installation unique, installations may not have every authorized MWR activity.

d. Financial management strategies. APF and NAF resourcing and local pricing necessary to satisfy current commitments and outyear priorities established in the planning process are delineated by fiscal year, funding source, and application of funds. Use of APF and NAF is justified. Funding is integrated into the POM requirement.

Section II
Construction Planning

10–3. Overview

a. One result of the installation MWR 5-year planning process is improved facilities. The need to construct new ones or close or renovate existing ones is validated. Broad requirements translate into specific facility requirements, the programming of sufficient APFs and NAFs, and the approval of projects which meet overall MWR needs.

b. This section describes APF and NAF construction programs, but provides details only on NAF construction. Regulatory and procedural references for APF programs and additional references for funding MWR construction are in table 10–1.

Table 10–1
References on use of APFs, NAFs, and private funds for MWR construction

	APF[1]	NAF[2]
Funding limitations	ARs 415–15, 420–10	Appendices D and E and AR 215–7
Facilities authorized	Appendix E	Appendix E
Work authorized	MCA—AR 415–15; OMA; Minor Construction; Other—AR 415–15 Maintenance & Repair—AR 420–10	NAFMC—-AR 415–19; CPMC—Appendices D and E and AR 415–15
Construction	Appendix E	Appendix E
Combined funds (APF and NAF)	AR 415–15	AR 415–19
Private funds	DFAS–IN Reg 37–1 (chap 12) and AR 415–19	AR 415–19

Notes:
Other pertinent references with funding authorization noted:
[1] *APF and NAF:* "Environmental Survey Guidance for Potential Construction Sites" as defined in AR 415–15; proponent is the Office of the Assistant Chief of Staff for Installation Management (DAIM–FDR).
[2] *NAF:* "Policy for Site Development, Nonappropriated Fund (NAF), and Surcharge–Funded Construction," 27 Jan 87; proponent is DALO–ZA/DAIM–FD

10–4. Guidelines

a. Maintenance, repair, and construction requirements are coordinated with the installation DPW. All existing and planned MWR facilities are included in the installation master plan to ensure that funds are programmed for design, site preparation, project supervision, inspection, and acceptance.

b. Construction to support MWR activities is funded from either APF or NAF construction programs, as specified in appendix E. Requirements associated with category A activities are funded from APF construction programs; generally, those for category B and C activities are funded from NAF construction programs unless otherwise specified in appendix E or exempted within this chapter.

c. Construction projects jointly financed by APFs, NAFs, or private funds in any combination are subject to the following:

(1) Projects are planned, programmed, and budgeted in both APF and NAF construction programs, and submitted at the appropriate time within APF (MCA) and NAF cycles for the same fiscal year.

(2) Submissions include a full disclosure of the scope of the project and anticipated total cost.

(3) No dual-funded project is undertaken without prior written approval of:

(a) The IMA Regional Director for projects with construction costs up to $750,000.

(b) The Facilities and Housing Directorate (DAIM-FDR, OACSIM) for projects with construction costs between $750,000 and $1.5 million.

(c) The Office of the Deputy Assistant Secretary of the Army (Installations and Housing) for projects with construction costs exceeding $1.5 million.

(4) For additional details on using NAFs for construction, see AR 415–19.

d. NAF construction projects may receive the following APF funded services subject to availability of resources:

(1) Installation master planning analysis.

(2) Architectural and engineering services for project design, as authorized by appendix D.

(3) Contracting services.

e. All NAF construction projects costing $750,000 or more must have a commercial Project Validation Assessment

(PVA). The PVA will be contracted for and funded by USACFSC. Installations and IMA Regions will not conduct or contract for PVAs. Only projects approved by the Pre-Capital Investment Review Board will be advanced through the PVA process.

f. The U.S. Army Corps of Engineers (USACE) Architectural and Engineering Instructions (AEI) provide initial project planning; however, NAF construction plans conform to applicable commercial building codes as appropriate depending on the type and location of the project. The size and square footage allocated to each project is based on the PVA. NAF major construction projects require a commercial PVA to determine facility size. The Army Criteria Tracking System (ACTS) and AEI are used as planning guides per AR 210–20.

g. Designs provide for multipurpose use with clearly defined functional areas wherever possible. Energy-efficient features are included to the maximum practical extent; moreover, NAF facilities will comply with the Federal Energy Management Standard defined in Executive Order 12759 (Apr 91).

h. Transfer, conversion, diversion, or disposal of real property is subject to the following:

(1) USACFSC approves the diversion or conversion of any facility which was constructed or converted by renovation for MWR activities, if the conversion or diversion is to another 5-digit facility category code.

(2) The garrison commander (or delegatee) will notify USACFSC of the proposed disposal of any MWR facility under the provisions of AR 405–90. Notification will be sent to USACFSC, ATTN: CFSC-COP, 4700 King Street, Alexandria, VA 22302–4405.

(3) The above also applies to Army lodging (real property category code 72010) and all facilities in basic real property category codes 740 (Community Facilities, MWR Interior) and 750 (Community Facilities, MWR Exterior) except those facilities belonging to AAFES. See DA Pam 415–28 for listing of real property category codes.

10–5. Construction programs

a. APF construction programs. APF construction projects are funded by the Military Construction, Army (MCA) program, for projects costing $750,000 or more. Construction projects costing less than or equal to $750,000 are funded from the installation's operation and maintenance funds.

b. NAF construction programs. NAF construction projects are funded by:

(1) The NAF major construction (NAFMC) program for:

(a) Real property construction projects with construction costs of $750,000 or more.

(b) Community facility construction projects listed in appendix E that require NAF construction funding.

(2) The Capital Purchases and Minor Construction (CPMC) program for:

(a) Any single item, group purchase, or real property construction project costing less than $750,000 and capitalized per DOD 7000.14, volume 13.

(b) Any project budgeted at less than $750,000 that exceeds that amount due to foreign currency exchange fluctuations, in accordance with the annual budget guidance and instructions memorandum from USACFSC, is not considered as major construction regardless of the final amount.

(c) Applicable elements of expense listed in appendix D.

c. AAFES construction program. Funding is as specified in AR 60–31.

d. Post Restaurant Fund and Army and Air Force Civilian Welfare Fund construction projects. Funding is as specified by AR 215–7.

10–6. MWR community facilities

a. The funding source designated in appendix E is used for each construction project, whether minor or major. Exceptions are approved by OSD prior to project submission in the annual program. Exception requests are forwarded to USACFSC (CFSC-CO) for submission to OSD.

b. Community facilities normally funded from NAFs may be funded from MCA or other APFs as exceptions under the following conditions:

(1) Construction of community facilities that are part of the establishment, activation, or significant expansion of an installation.

(2) Construction of new facilities or renovation of existing facilities to replace community facilities that are relocated because of other Government requirements.

(3) Construction of necessary temporary community facilities in overseas contingency deployment areas where such facilities are not provided by the host government.

(4) Restoration or replacement of facilities that are damaged or destroyed by fire, natural disasters, or acts of terrorism.

(5) Correction of safety deficiencies that pose a threat of death or serious injury.

c. Use of APF construction programs for construction of community facilities as a part of expansion plans is based on actions or events that significantly increase the permanent post population, such as the establishment or relocation of

units or other organizations. Evolutionary growth or temporary population surges do not warrant use of APF construction programs.

10–7. NAF approval authority

a. NAF CPMC.

(1) Approval authority for all minor construction projects between $200,000 and $750,000 is delegated to the IMA Regions. Further delegation is not authorized.

(2) Annually, OSD provides to the Congress a list of all construction projects included in the FY CPMC program. To ensure all projects are reported to OSD, USACFSC (CFSC-CO) requires an information copy of the DD Form 1391 upon approval by the IMA Region. USACFSC then forwards the copy to the DASD (I&H).

(3) Any subsequent additions, deletions, deferments, or modifications on CPMC projects are reported to USACFSC.

(4) Incremental or phased construction projects are approved based on the final total cost. For example, a phased project of 3 years at $300,000 per year is approved as a NAFMC project for a total of $900,000 before starting construction on any phase.

b. NAFMC program process.

(1) All Army approved NAFMC projects ($750,000 and above) are reported in the annual Nonappropriated-Funded Construction Projects Report to Congress, per AR 415–19. No contract that obligates construction monies is awarded on any NAFMC project until the project is approved by Congress.

(2) NAFMC programming and construction is a process from guidance to construction completion, consisting of programming guidance, budget/design, and execution. It differs from the MCA program process by allowing the guidance year and budget/design year to overlap. Elements of the process are—

(a) Programming guidance phase. The fiscal year in which planning begins is the programming guidance phase. Guidance (issued second quarter) includes general instructions, current policy, and funding guidance. IMA Regions refine MWR 5-year plans, prepare priorities, and submit annual programs. Project documents listed in paragraph 10–9*a* are due at USACFSC (CFSC–CO) by 1 May (or as specified in annual guidance issued by CFSC).

(b) Budget/design phase. After the programming guidance phase, this is the period during which PVAs are completed, the design process begins, and projects are reviewed by the Capital Investment Review Board (CIRB) and MWR BOD (see app B). After the Construction Requirements Review Committee reviews projects, the Offices of Assistant Secretaries of the Army (OASA) for Installation, Logistics and Environment (IL&E), and Manpower and Reserve Affairs (M&RA), review and approve for submission to OSD and Congress. Upon approval, USACFSC obtains design release from ASA(IL&E) and proceeds with design.

(c) Execution phase. This phase starts with Congressional release. Upon release from Congress, design is completed and the project is advertised. The contract is then awarded for construction and administered through benefical occupancy date. Contracts that are not awarded within 2 years of congressional release are either resubmitted the following year or canceled.

10–8. Review for NAFMC funding

a. The AMWRF pays 100 percent of total project cost (TPC) for approved projects. TPC includes construction cost, design, and furniture, fixtures, and equipment (FF&E). Construction cost is the programmed amount (PA)(rounded) on the DD Form 1391 (FY, Military Construction Project Data) and includes installed equipment; contingency; and supervision, inspection, and overhead. Design cost is 10 percent of the programmed amount and includes engineering.

b. Installations program for and fund the following:

(1) All supplies, expendables, and related opening costs.

(2) All environmental requirements (including Environmental Assessments, Environmental Impact Studies, and Hazardous Waste/Unexploded Ordinance Surveys and Removal) are provided by the installation. These requirements are initiated by the installation at the appropriate time to ensure resolution of deficiencies and final studies before advertising the project for construction. Siting, as defined in AR 415–19, is used when selecting potential sites for NAFMC projects. Demolition costs are budgeted separately by the installation; they are not a NAFMC requirement unless criteria defined in AR 415–19 are exceeded.

c. The following actions must occur prior to congressional release:

(1) CIRB approved projects are referred to the MWR BOD for approval. (Funding supported by the MWR BOD review will be equal to the TPC.)

(2) Design funds are released for projects in the current budget/design phase, based on availability of AMWRF resources.

(3) USACFSC submits MWR BOD endorsed projects to the USACE for consolidation with AAFES projects which results in the Army's annual Nonappropriated-Funded Construction Projects Report.

(4) The OACSIM submits the report through the OASA(M&RA) and OASA(IL&E) to OSD for forwarding to Congress.

d. The following actions must occur prior to congressional release:

(1) The Commander, USACFSC, approves and authorizes AMWRF funding increases of up to 25 percent of cost

and 10 percent of scope for CPMC and NAFMC projects if change is necessitated by factors beyond installation control. Projects with increases exceeding 25 percent of cost or 10 percent of scope are resubmitted to the BOD MWR and Congress. If a project with an approved cost under $200,000 exceeds this amount, it is reported to OSD.

(2) Elective changes not specified in the CIRB approved DD 1391 are funded from local resources, to include design and construction costs. For these changes—

(a) The installation submits a change request to its IMA Region, fully describing the change with a total cost estimate (design, construction costs, contingencies, and overhead fees).

(b) If the IMA Region concurs, the request is submitted to a Configuration Control Board (CCB) chaired by USACFSC (CFSC–CO), with representatives from the IMA Region and the USACE District Engineer.

(c) The CCB reviews cost, scheduling, and scope impacts, and makes a recommendation to the IMA Region. If the IMA Region approves the recommendation and funds the total cost of changes, the USACFSC authorizes USACE to proceed, pending required approvals. If approved, the IMA Region provides funds to USACFSC (CFSC-FM-C).

(d) Upon receipt of funds, USACFSC directs the USACE to negotiate the change with the contractor.

(e) The funding liability of the installation is adjusted at the end of negotiations. If additional funds are required, they are certified as available before the contract modification is signed. If costs are reduced, excess funding is returned to the installation.

10–9. Project documentation

a. NAFMC projects. DD Form 1391 as specified in ARs 415–15 and 415–19 is submitted electronically via the DD 1391 processor. NAFMC project documentation is generally the same as MCA project documentation but includes the following additional requirements:

(1) A return on investment analysis vice the MCA DD 1391 Economic Analysis, prepared by the PVA contractor per paragraph 10–11, is included in the PVA report.

(2) The Determination and Certification of Actual Need, Parts I and II, is entered in section 23 of the DD Form 1391, per AR 415–19.

b. CPMC projects.

(1) Electronically submitted DD Form 1391 includes sections 1–4.

(2) Return on Investment analysis.

(3) DOD NAF construction program installation/exchange commander certification.

c. Dual funded projects. Documentation required by AR 415–19 will include detailed justification and differentiate between portions of the facility to be funded by APFs and NAFs. Funding will comply with appendix E.

d. Phased projects. Documentation for projects involving phased construction will provide full justification and description of scope, cost, and timing of all increments. Documentation is submitted during the initial phase.

10–10. NAF maintenance and repair

a. Installation APFs are the funding source for MWR facility maintenance and repair (M&R)(see app D).

b. When APFs are authorized in accordance with appendix D but are unavailable and when a commander certifies in writing that APFs are not available, local NAFs may be used for MWR facilities. M&R are not funded from the Army MWR Fund (AMWRF).

(1) Approval authority for NAF M&R projects, project review procedures, dollar levels of approval, and documentation requirements are contained in AR 420–10. DD Form 1391 submitted for NAF M&R will contain a statement, signed by the garrison commander, that APFs are not available.

(2) Work classification disputes and issues are referred to the Assistant Chief of Staff for Installation Management, ATTN: DAIM–FDF–ER, 600 Army Pentagon, Washington, DC 20310–0600.

(3) Expenditure of IMWRFs are only for authorized MWR functions in accordance with this regulation.

(4) M&R does not require Congressional reporting.

10–11. Return on investment analysis

a. Return on investment (ROI) analysis is a comparison of factors to develop projected cash flow requirements and to project financial impacts of a planned NAFMC project.

b. ROI analyses are used by:

(1) Installations to assess the financial impact of planned projects, compare alternatives, and develop plans and budgets.

(2) IMA Regions to assess the relative merits of NAFMC projects submitted by the same installation and similar projects submitted by different installations; and

(3) The MWR BOD to evaluate project funding capabilities.

c. Use of ROI analyses at any level to compare competing projects is limited to comparison of similar projects. Category C MWR projects are not compared to nonincome generating projects. (This could limit the construction

program to business-like operations such as clubs and bowling centers, excluding arts and crafts centers, recreation areas, and other facilities from funding consideration.)

d. Supported by the MWR 5-year plan, analyses prepared for projects of nonincome producing activities include as much supplemental information as needed to show a clear or urgent need and the impact on the installation and its population if a project is not approved or funded.

e. Program definitions are as follows:

(1) *Project Validation Assessment (PVA).* A contractor prepared study to determine the feasibility and cost of a proposed NAFMC project.

(2) *Total Project Cost (TPC).* The total cash outlay required to implement a project. It includes, but is not limited to, design, supervision and administration, and construction.

(3) *DD Form 1391.* A military construction project data form that is used for programming, budgeting, and execution.

(4) *Operating cash flows.* The resulting net cash inflow or outflow generated by a project. Net income before depreciation (NIBD) is a close approximation of net cash flow resulting from operations.

(5) *Discounted cash flow.* The adjustment of project cost and operating cash flows to reflect the time value of money.

(6) *Discount rate.* The percentage by which cash flow is adjusted to estimate the current financial benefits or costs of a project. Also known as the "hurdle" rate.

(7) *Project life.* The projected number of years that a facility is expected to operate. For purposes of this regulation, project life is assumed to be 30 years.

(8) *Present value (PV).* The value of future funds expressed in terms of current dollars. Present value tables are available in most financial management texts.

(9) *Net present value.* The result after discounted cash outflows are subtracted from discounted cash inflows.

(a) If net present value is positive, the planned project will provide greater financial benefit to the fund than would be gained by investing the project cost at the discount rate.

(b) If net present value is negative, investing the project cost at the discount rate will provide greater financial benefit to the fund than would be gained by building the planned project.

(c) If net present value is zero, each alternative (investing or building) is equal.

f. An Excel template with instructions for completing the NAFMC financial review and analysis is available from USACFSC and can be accessed through the Army MWR home page at http://www.armymwr.com.

10–12. Public-private venture projects

a. PPV projects are private sector built and/or operated facilities or services on Government-owned real estate in exchange for discounted fees and/or service and an equitable return to the installation's MWR fund. PPV projects are another means of providing MWR facilities that are unattainable through traditional funding sources. They deliver morale-enhancing activities while avoiding capital investment costs, simultaneously producing cash dividends accruing to the installation MWR fund.

b. USACFSC is the sole Army agency authorized to negotiate and award contracts for the privatization of nonappropriated funded projects. Installations may submit PPV project requests via memorandum through their IMA Region to USACFSC, ATTN: CFSC–CO, 4700 King Street, Alexandria, VA 22302–4405, with the following documentation:

(1) Broad scope of the project. An example is a family entertainment center (to include a bowling center, sports bar, and video arcade for an indoor facility; or miniature golf, water slide/swimming pool, and batting cages, for an outdoor facility). The developer will define a more definitive scope, with agreement by the installation during contract negotiations.

(2) Brief summary of why the project is required.

(3) Additional guidance and information on the PPV submission process is issued separately by USACFSC (CFSC–CO).

c. USACFSC will facilitate the PPV process, including—

(1) Obtaining OASA(M&RA) approval.

(2) Development of contractual agreements with an established real estate developer, in coordination with the installation.

(3) Continuous review of the contractor's operational performance to assure the installation receives its negotiated return.

d. OASA(M&RA) will notify OSD or Congress or obtain OSD and Congressional approvals, as necessary.

Chapter 11
Financial Management

Section I
Administration

11–1. Overview

Financial management encompasses planning, control, evaluation, and accountability. Primary areas include safeguarding NAF assets through proper use of management controls, maximizing use of capital through efficient cash and capital budgeting, and identifying operating opportunities and problems through the preparation and use of budgets and financial analyses. Civilian NAFIs (welfare funds and post restaurant funds) and lodging NAFIs are not subject to the provisions of this chapter unless stated otherwise in this and other governing guidance. Questions and requests for exception to or deviations from requirements in this chapter are submitted through the applicable IMA Region to USACFSC (CFSC–FM), 4700 King Street, Alexandria, VA 22302–4406.

11–2. Financial management responsibility

a. The installation Director of Resource Management manages APFs.

b. The DCA or equivalent, controls all installation NAFs. This includes being the fund manager for the IMWRF and the point of coordination for NAF financial management for programs and activities whose program management is outside the DCA or equivalent functional area of responsibility. This is accomplished through the DCA Financial Management Division (FMD) or equivalent and installation (or centralized) Central Accounting Office (CAO).

c. All employees have fiduciary responsibility for properly using NAF and APF and preventing and reporting suspected waste, loss, or unauthorized use of NAFs. (See sec II, chap 3.)

11–3. Successor-in-interest

The successor-in-interest NAFI may provide financial support and assistance to specified or assigned NAFIs, as required, and assumes all outstanding liabilities or receives the residual assets of NAFIs following their dissolution.

a. The IMWRF is the successor-in-interest to all isolated unit funds supported by coordinating installations.

b. The IMA Region Single MWR Fund is the successor-in-interest to all IMA Region-level NAFIs and to all IMWRFs within the IMA Region. The IMA Region Single MWR Fund may cross level IMWRFs within the IMA Region.

c. The Army and Air Force Civilian Welfare Fund (AAFCWF) is the successor-in-interest to all installation Civilian Post Restaurant Funds and Civilian Welfare Funds (see AR 215–7).

d. The Army Lodging Fund is successor-in-interest to all IMA Region Single Lodging Funds and all installation lodging funds.

e. The Hospitality Management Fund is the successor-in-interest to AFRC-Europe, Dragon Hill Lodge, ARMP Operations, the Hale Koa Hotel, and AFRC-Orlando (Shades of Green) NAFIs.

f. The AMWRF is the successor-in-interest to all IMA Region MWR Single Funds, HQDA NAFIs, joint Services or DOD NAFIs when specifically designated as executive agent by DOD issuance, and joint Services or DOD NAFIs established pursuant to Army policy where the AMWRF has been specifically designated as the successor-in-interest.

Section II
Cash Management

11–4. Funding Standards

a. The DOD basic standard, regardless of category, is to use APFs to fund 100 percent of costs for which MWR activities are authorized. Total expenditures for measuring compliance with these standards are computed by adding total APF support (both direct and indirect, not including military construction) plus total NAF support (total expenses less cost of goods sold and depreciation). To obtain APF support as a percent of total expenditures, divide the amount of APF support by the total of APF support plus NAF support, as explained above.

(1) *Category A.* Category A activities are entitled to the highest degree of APF support, and virtually all expenses should be supported with APFs. However, Category A programs at installation level are frequently collocated with other minor functions (incidental resale/revenue producing activities) that are not authorized APF support. These functions are considered category C for funding purposes and should be reported in that category if their size is significant or they are not integral to program delivery. In many cases, their small size makes it impractical to break them out and report them separately from their parent category A activity. For these reasons, the DOD APF standard for category A is a minimum of 85 percent of total expenditures.

(2) *Category B.* Category B activities also frequently include incidental resale/revenue-producing activities integral to the category B activity. As in category A, these functions are considered category C for funding purposes and should

be reported in that category if their size is significant or they are not integral to program delivery. The DOD standard for APF funding is a minimum of 65 percent of the total expenditures.

(3) *Category C.* APF support to category C is limited to that support specified in appendix D.

b. Army supplemental funding standards are included in the annual budget instructions issued by USACFSC.

11–5. Total cash management

All Army NAFIs are required to generate sufficient cash and a positive net income before depreciation which, when coupled with existing funds, will permit the NAFI to fund all of its own requirements, both operating and capital, with the exception of NAF major construction funded by the AMWRF. Long-term requirements must be fully covered by adequate cash flow. Each NAFI must produce adequate revenues to cover operating and capital requirements over the short and long term while maintaining a cash to debt ratio between 1:1 and 2:1 (total cash divided by current liabilities).

11–6. Army simplified dividend distribution

Installation MWR funds receive locally generated income from AAFES operated package beverage stores and telephone contract profits as earned, plus a percentage of AAFES revenue generated on the installation. IMA Regions and installations are notified in writing annually of the projected percentage for revenue sharing with AAFES. IMA Regions will determine how the monthly Army simplified dividend distributions are allocated to their installations.

11–7. Army recreation machine program distribution

a. Net income from the ARMP is distributed directly to the ARM Trust. ARM profits are split between the ARM Trust Fund and the installation or IMA Region. IMA Regions or installations are notified through the annual budget instructions of their proportion of ARM profit distributions. ARM profit distributions are based on a pro-rata share of profits for the preceding month. IMA Regions will determine how the monthly ARMP distributions are allocated to their installations.

b. Overseas MWR activities that house ARMP provided recreation machines are reimbursed for ARMP related operating expenses at a specified percentage.

11–8. Army MWR fund

Resources of the AMWRF are derived primarily from—

a. Dividends paid from the AAFES and interest earned from the temporary investment of funds that have been programmed but not yet spent.

b. Monthly capital reinvestment assessment at a percentage of total revenue from installation and IMA Region NAFIs, as determined by the MWR BOD and published annually in the NAF budget letter of instruction. This amount will be transferred to the AMWRF to assist in funding Army priorities.

11–9. Collections and control of receivables

a. The systematic and effective control of accounts receivable is an essential part of financial management. Fund managers maintain strict control of receivables and seek advice from the installation SJA, where necessary, to collect delinquent accounts.

b. Debt collection procedures must comply with the P.L. 97-365, October 25, 1982 (5 USC 5514), and 37 USC 1007. Every attempt must be made to inform debtors of outstanding debts before adverse actions are taken. The following procedures apply:

(1) Attempt to locate debtors through the local military finance or personnel offices.

(2) If an address is not available, submit a request to USACFSC (CFSC-FM-B) for assistance through the Internal Revenue Service locator service using the debtor's name and Social Security Number.

(3) Once the location is known, send a certified return receipt required letter similar to the example provided in figure 11–1 that describes the debt, requests payment, and offers a repayment plan and an opportunity to contest the debt. The letter serves as proof of an attempt to contact the debtor.

(4) If there is no response, seek advice from the installation SJA. Assistance may also be obtained from USACFSC (CFSC-FM-B), 4700 King Street, Alexandria, VA 22302–4406.

c. Confidentiality and thorough recordkeeping are required to ensure individual rights to privacy. Procedures must be in place that preclude unauthorized disclosure or use. Access to individual accounts should be limited to the minimum number of employees necessary, and records must be secured during non-duty hours.

d. To keep the claim against the debt valid, debt collection records should be kept for a period of not fewer than 5 years or the life of the debt, even if debts are written off.

11–10. Loans, advances, and grants

a. NAFIs may neither negotiate for a commercial loan nor obtain a loan from private or commercial sources unless otherwise authorized by USACFSC (CFSC-FM).

b. NAF assets are not pledged as collateral for obligations due or payable to private or commercial sources.

c. Loans, advances, and grants between installation Army NAFIs are approved in advance by the applicable IMA Regional Directors. Written notice with supporting justification are forwarded to USACFSC (CFSC–FM), 4700 King Street, Alexandria, VA 22302–4406, immediately upon approval.

d. Subject to advance approval by the Commanding General, USACFSC, the Army Banking and Investment Fund may lend money from the aggregate Army field NAFI balances to another centrally administered DA NAFI.

Section III
Capital Expenditures

11–11. NAF major construction financing

a. AMWRF resources are devoted primarily to funding NAF major construction (NAFMC) and other program investments.

b. Any installation or IMA Region contribution toward a NAFMC project will be withdrawn from the IMA Region Single MWR Fund bank account as bills on the project are paid.

11–12. NAF capital purchases and minor construction financing

a. All CPMC items or projects will be financed from local installation resources.

b. CPMC will not be budgeted to exceed 115 percent of the highest of the previous 3 years' actual CPMC execution unless IMA Regions specifically waive the requirement.

c. Capitalization criteria for capital purchases, NAFMC, minor construction, and maintenance and repair are outlined and updated annually in a CFSC NAF Budget Guidance and Instructions Memorandum.

d. CPMC line item descriptions should include the item or project, program code, and quantity, as applicable. However, projects of $200,000 or less require only lump sum amounts by program code.

e. An amount not to exceed 5 percent of the net annual AAFES dividend to the AMWRF may be used for CPMC support to installations unable to totally fund CPMC requirements. A CPMC exemption to policy is not intended to finance an installation's normal recurring or replacement requirements. Procedures for requesting a CPMC exemption are included in annual budget instructions.

Section IV
Budgeting

11–13. Budget preparation

Annual budgets prepared for all Army NAFIs (except civilian MWR funds (see AR 215–7) and lodging funds (see AR 210–50)) will comply with specific instructions and procedures issued annually by USACFSC. Each IMWRF budget is submitted with the 5-year MWR plan (see chap 10) to the applicable IMA Region. Budgets include the following separate elements:

a. A commander's narrative that includes, at a minimum—

(1) Description of current operations, including goals and objectives reflected in the budget.

(2) Significant changes from the previous year's approved budget.

(3) Identification and discussion of significant trends.

(4) An explanation of anticipated cost savings.

(5) An explanation of projected NAF revenue increases or decreases.

(6) Justification for using NAFs where APFs are authorized.

b. DA Form 5318–E (FY NAF Annual Operating Budget (AOB)).

c. DA Form 5320–1–E (APF/NAF Five-Year Financial Plan).

d. DA Form 5322–E (Monthly Cash Projection Schedule (optional use)).

e. DA Form 5321–E (Capital Purchase, Maintenance and Repair, and Minor Construction Budget (Includes Parts A-D)).

f. DA Form 5911–E (Five-Year Cash Projection Schedule).

g. DA Form 5911–2–E (NAF Major Construction Schedule).

h. DA Form 5911–5–E (Minimum Net Income Before Depreciation Schedule (optional use)).

i. These forms are prepared by electronic media only.

11–14. Budget approval

IMA Regions will review and approve installation and community budgets, unless authority is deferred to USACFSC (CFSC–FM). IMA Regions selecting this option will notify USACFSC, in writing, by 1 June and ensure submission of complete, coordinated installation budget packages with 5-year MWR plans (see chap 10) by 1 July. IMA Regions not deferring approval authority to USACFSC submit consolidated IMA Region budgets to USACFSC by 1 September.

a. IMA Regions will submit separate budgets for all authorized IMA Region-level funds (including the AOB, CPMC Budget, Cash Projection, and APF/NAF Financial Plan) to USACFSC by 1 August.

b. All IMA Region budget submissions will be addressed to USACFSC (CFSC-FM-C), 4700 King Street, Alexandria, VA 22302–4406.

c. Installations and communities having access to the Nonappropriated Fund Information Standard System (NAFISS) are required to enter the IMA Region approved AOB into the NAFISS budget module upon receiving IMA Region approval, not later than 1 October. Revisions approved subsequent to this date will be entered upon approval.

11–15. AOB budget revisions

a. Only future data may be revised. For example, a budget revision submitted in March may include revised figures for April through September only. Originally budgeted figures for October through March are added to revised figures to obtain the revised fiscal year total. This does not preclude local preparation and use of actual data for past periods together with projected data to compare original forecasts with actual results, to reflect the actual and projected cash position, or otherwise meet management needs or desires.

b. Only IMA Region approved budget figures may be entered into NAFISS or MICROcads. All affected budgets must be simultaneously revised. A revision to the AOB may affect funds available for capital expenditures and therefore requires revision of the CPMC and cash budgets.

c. When actual operations vary by 25 percent or more from IMA Region approved goals in the critical areas of total revenue, total operating expenses, or net income before depreciation during the first two quarters of the fiscal year, revisions for the remainder of the fiscal year are required. IMA Region consolidated budgets must be correspondingly revised and submitted to USACFSC.

(1) Budget revisions due to variances of 25 percent or more require simultaneous revisions of all other affected budgets and must receive IMA Region approval.

(2) Once consolidated IMA Region budget revisions are approved, IMA Regions will ensure that complete copies are expedited to USACFSC (CFSC-FM-C).

d. When critical factors vary less than 25 percent, approval of budget revisions for future operating budgets may be delegated to garrison commanders. All applicable budgets will be simultaneously revised and copies provided to the IMA Region upon approval. IMA Region consolidated budgets will be correspondingly revised and submitted to USACFSC.

e. NAFMC commitments approved by the CRB will not be decreased in budget revisions. Failure to fulfill NAFMC commitments normally results in cancellation of NAFMC projects.

Section V
NAFI Banking and Investments

11–16. Concept

The Army Banking and Investment Fund (ABIF) supports minimizing levels of cash on deposit in local banks and accumulating available cash Army-wide in a designated central bank for investment in Government or Government backed obligations. Investment income on deposit is distributed proportionally among and credited to the accounts of participating NAFIs.

11–17. Cash on hand

Cash amounts retained locally are limited to the minimum levels necessary to support change funds, petty cash funds, check cashing funds, and similar functions. All amounts in excess of immediate cash requirements are deposited daily in the servicing local bank.

11–18. Local banking

a. Within CONUS, Hawaii, Alaska, Puerto Rico, and the Virgin Islands, NAFI cash assets are deposited only in banks or other financial institutions that are designated by the Treasury Department as depositories and fiscal agents of the Government. This designation enables financial institutions to pledge collateral to secure public funds which, for this purpose, includes NAFs. Eligible institutions are—

(1) All banks and savings and loan associations insured by the Federal Deposit Insurance Corporation (FDIC).

(2) All credit unions insured by the National Credit Union Administration (NCUA).

b. In overseas areas:

(1) NAFIs maintain a U.S. dollar account at available military banking facilities or any local branch of any U.S. bank that meets the eligibility criteria for CONUS banks. A military banking facility, governed by DFAS-IN Regulation 37–1, chapter 2, is a branch of a U.S. bank that operates on a U.S. controlled installation under a U.S. Government contract. All U.S. dollar deposits at military banking facilities are FDIC insured.

(2) NAFIs may maintain a local currency account in a U.S.-owned or -controlled bank, provided each account offers a reasonable degree of liquidity and security. Amounts on deposit are limited to the minimum necessary for—

(a) Projected operational requirements for a period not to exceed 30 days.

(b) Severance pay and other liability reserves.

c. The primary purpose of local bank accounts is to facilitate transferring cash to the designated central bank. Accounts established for each NAFI at the central bank are used to pay current obligations.

d. Local banking transactions are consistent with the following principles:

(1) Cash maintained on deposit is limited to the level necessary to minimize or preclude service charges, or the minimum level specified in the local banking agreement.

(2) Current obligations are not paid from local bank accounts.

(3) Cash amounts in excess of minimum balance requirements are transferred to the designated central bank daily.

e. Local banking requirements will be executed per AR 215-4. Legal review is required.

f. Local bank accounts will be properly established to ensure full insurance protection. A letter of authorization similar to the example provided in figure 11–2 must be on file with the bank. It specifies that withdrawals are limited to transfers to the central bank. Signature cards, when required, will be kept current.

g. Service charges imposed by local banks are shown in monthly account analyses. Servicing CAOs will send a copy of each March and September analysis for each supported NAFI to USACFSC (CFSC-FM-B), 4700 King Street, Alexandria, VA 22302–4406, to arrive not later than 15 May and 15 November. USACFSC will use monthly bank account analysis to study trends and provide a basis for updating cash management strategies and procedures.

h. The number of local bank accounts established by a single NAFI will be kept at a minimum (generally, no more than one) to simplify management and avoid unnecessary service charges. Accounts are established only when supported by a cost-benefit analysis.

i. Local banking agreements are periodically reviewed, at least annually, to ensure that accounts are properly established and funds properly protected.

11–19. Uninsured deposits

a. Accounts established at local banks or credit unions in CONUS, Alaska, Hawaii, Puerto Rico, and the Virgin Islands are insured up to $100,000 by the FDIC and NCUA, respectively. Accounts established at military banking facilities in overseas areas are insured up to $100,000 by the FDIC.

b. U.S. dollar and foreign currency accounts in overseas banks, even if U.S. owned or controlled, are generally not insured.

c. Amounts in excess of $100,000 may be accepted by U.S. banks and overseas military banking facilities that meet the criteria explained in this chapter, when authorized by the Treasury Department, provided that collateral in the form of securities is deposited with the servicing Federal Reserve Bank (FRB) to protect uninsured amounts.

d. Defense Finance and Accounting Service-Indianapolis Center (DFAS) will advise the Treasury Department of the amount of collateral required for each bank for uninsured NAF deposits and will advise installations of the amounts of collateral reserved for installation NAFIs. Collateral is reserved at the FRB on behalf of all NAFIs using that bank.

e. CAOs will maintain a record of all local bank accounts used by supported NAFIs and the amount of collateral reserved.

f. NAFIs may attempt to obtain collateral for uninsured U.S. dollar and foreign currency deposits in overseas banks, except military banking facilities. Acceptable forms of collateral, in order of preference, are—

(1) U.S. Government securities deposited with the U.S. correspondent bank of the local national bank.

(2) U.S. dollar denominated securities of the host country or a mutually agreed upon third country.

(3) Foreign currency denominated securities of the host country or a mutually agreed upon third country.

11–20. Reporting of local bank deposits

a. Each NAFI account maintained in local banks is reported to USACFSC at least twice a year on DA Form 3830 (Nonappropriated Fund Bank Balances). It is exempted from reports control requirements by AR 335—15. Reports are used to verify that collateral is already pledged against uninsured balances or to take action to obtain collateral as needed.

b. Required reporting includes the following:

(1) Regular reports are prepared as of 31 March and 30 September of each year and sent to USACFSC (CFSC-FM-B), 4700 King Street, Alexandria, VA 22302–4406, to arrive by 15 May and 15 November, respectively.

(2) Special reports are submitted any time collateral requirements exceed current allocations and whenever a local bank account is closed. Reports for closed accounts show zero balances and are used to release previously pledged collateral.

c. Reports are prepared and submitted by:

(1) CAOs, for all supported NAFIs.

(2) Fund managers, for NAFIs not supported by a CAO.

(3) USACFSC (CFSC-FM), for HQDA NAFIs, and for balances maintained in the central bank.

d. The estimated balance is based on the next 6-month period and is computed as follows:

(1) For single accounts, the highest estimated balance for that account.

(2) For NAFIs with multiple accounts, the combined highest estimated balance for all accounts.

(3) For single accounts shared by two or more NAFIs, the highest estimated balance of the account as a whole, rather than the pro rata balances of each participating NAFI.

e. USACFSC will forward reports showing balances over $100,000 to DFAS to verify that collateral is already pledged or will take action to obtain collateral as needed. Garrison commanders and other agencies are advised of adjustments.

f. Deposits in local banks that exceed protected levels are prohibited. Funds exceeding insured or collateralized levels are transferred to the central bank.

11–21. Central banking

a. The term "central bank," as used in this regulation, refers to an established U.S. commercial bank that is contracted by USACFSC. Daily operational requirements and approved programmed obligations are paid with withdrawals from central bank accounts. The ABIF will invest all funds not otherwise lent to a centrally administered DA NAFI under the authority provided at paragraph 11–10d.

b. An established NAFI is automatically enrolled in the central banking program.

c. Signature cards and a letter of authorization are completed by fund managers and returned to the ABIF. The ABIF retains a copy of the latest signature card and reviews it annually to ensure it is kept current. If there is a change of signature authority, new cards are processed.

d. Current obligations are paid by writing checks on the central bank account. Countersignatures are used when separation of duties is not possible and the amount of the check exceeds the signer's fidelity bond limit. Bonding requirements are explained in chapter 14.

11–22. ABIF investments

a. The ABIF invests deposits and pays interest earned,less administrative expenses and any realized losses, to each NAFI account monthly. The ABIF guarantees the deposited principal.

b. ABIF investments are limited to:

(1) Obligations backed by the full faith and credit of the United States, such as Treasury bills, notes, bonds, and other securities.

(2) Certificates of deposit insured by the FDIC or NCUA or fully collateralized by U.S. Government securities.

(3) Eurodollar deposits in foreign banks that are collateralized by U.S. Government securities.

(4) Repurchase and reverse repurchase agreements are authorized only under the following conditions:

(a) With primary dealers in Government securities designated by the Federal Reserve Bank of New York.

(b) Against actual delivery of U.S. Government securities to the ABIF custodial bank.

c. There are no investments in any type of commercial debt, corporate bonds, stocks, and stock options.

d. Only USACFSC may hedge NAF obligations payable in foreign currency against the risk of currency fluctuations by using forward contracts or options (hedging against APF obligations is prohibited). The following apply to hedging contracts executed by USACFSC:

(1) IMA Regions and USACFSC elements may request contracts or options to fix exchange rates for specific obligations payable in foreign currency. Each request must identify—

(a) The type of obligation, such as construction or local national payroll.

(b) The date payable.

(c) The total amount of the obligation.

(2) Speculation, or the appearance of speculation, in foreign currency transactions is prohibited.

e. Assets of the Army NAF Retirement Plan Trust are invested separately by its trustees under the provisions of the trust.

f. Trustees of the U.S. Army Nonappropriated Fund Employee 401(k) Savings Plan Trust select and monitor investment managers for the plan's investment options.

11–23. Army Recreation Machine Program

a. USAFSC administers the ARMP Operations Fund to support routine ARMP operations.

b. The Army Recreation Machine Trust Fund (ARMTF) is administered by USACFSC which administers, allocates, and distributes ARMP profits held in trust on behalf of the AMWRF and participating overseas IMA Regions, as explained elsewhere in this chapter. Distributions are made based on the fund allocations determined by the IMA Regions.

c. USACFSC maintains separate ARMP Operations Fund and ARMTF accounts with the ABIF.

d. ARMP field offices establish local ARMP cash collection accounts similar to local MWR activity bank accounts described in this section. ARMP cash collections are initially deposited in the local ARMP account.

e. Funds are periodically transferred between accounts as follows:

(1) ARMP field offices transfer all funds not needed to sustain local operations to the ARMP Operations Fund.

(2) The ARMP Operations Fund transfers all funds not needed to sustain Army-wide ARMP operations and capital projects to the ARMTF.

f. Interest earned by the ARMP Operations Fund and ARMTF is considered income and included in determining allocations.

g. Funds available in the ARMTF may be invested by USACFSC in accordance with this section.

Section VI
Reports

11–24. Introduction

a. This section establishes requirements and provides policy for MWR financial and personnel management reports. Detailed procedures are explained in DOD 7000.14–R, volume 13. All are exempt from reports control under AR 335–15.

b. The DRM has functional responsibility for gathering and compiling information and submitting required reports per this regulation and DOD 7000.14–R, volume 13. The Military Personnel Division and CPO will provide personnel-related information to the DRM per local reporting procedures.

11–25. Applicability

The provisions of this section apply to all Army MWR programs and to those joint Service and DOD agency MWR programs that have been assigned to the Army for management support. They do not apply to the ARNG, except when performing Federal service.

11–26. Requirements

a. Required reports are identified and explained in DOD 7000.14–R, volume 13 and include the following elements:

(1) Summarized Balance Sheet.

(2) Summarized Statement of Changes in Fund Equity.

(3) Summarized Income Statement by program code.

(4) Consolidated MWR Execution Report by program code.

(5) MWR Personnel Strength Report.

(6) NAFI Employees' Compensation and Benefits Program Report.

b. The NAFISS and Army APF accounting system contains most of the information needed to prepare required reports.

11–27. Appropriated fund accounting system

a. The functional cost account codes used to capture APF support for MWR (exclusive of Military Personnel, Army (MPA) and MCA) are listed in DFAS-IN 37–100–04. MPA is reported per paragraph 11–30. MCA is reported by HQDA.

b. DFAS-IN 37–100–04 also provides account codes for all community and family programs. While all programs are reportable, caution is used to ensure that reports reflect only support provided to MWR. The following guidance applies in determining which account codes apply to MWR:

(1) All H-series codes are reportable except Program Code HD (unit activities) is limited to support of unit day rooms. For Program Code HG (official transient lodging), all funding (both APF and NAF) are reported for the Army Lodging Program.

(2) All J (Basic Community Support Activities), K (Enhanced Community Support), and L-series (Business Activities) codes are reportable.

(3) P-series codes (Family/Community Support) are reportable.

(4) Reportable R-series codes (Management/Staff Support Functions) include only support related to MWR. If such support is less than 25 percent of available workload, do not report. The following codes are not reportable:

(a) Code RD (Other DCA (or equivalent) Support).

(b) Reportable R-series codes (Management/Staff Support Functions) include only support related to MWR. If such support is less than 25 percent of available workload, do not report. Codes RK, RL, RM, RN, RT, RW, RX, RY, and RZ are not reportable and are reserved for IMA Regions and HQDA funds.

(5) No S-series codes (Army Community Services) are reportable.

(6) Codes in the T series (Supplemental Mission) are reportable only to the extent that APF support directly relates to the administration of the NAF segment. If less than 25 percent of available workload is devoted to NAF administration, do not report. Code TP (Scouting) is not reportable.

(7) All U-series codes (Joint Services Activities) are reportable.

11–28. Integrated facilities system

a. The Integrated Facilities System is a Standard Army Management Information System (STAMIS) that supports the installation DPW and is installed at most CONUS installations. It accumulates costs of maintenance, repairs, and alterations by facility and produces the Facility Reference Report. This report identifies job order costs for facilities occupied by MWR activities and can be used to help capture MWR engineering support costs.

b. Utility costs must be based on meter readings, contract bid schedules, or engineer estimates. Sales agreements, prescribed in AR 420–41, will specify methods of determining utilities consumption.

11–29. Consolidated execution report

a. The APF section of this report will reflect all current fiscal year obligations.

(1) The information will be displayed by appropriation, MWR account codes, and object class.

(2) All nonreimbursable APF obligations supporting MWR, whether defined as direct or indirect, are reportable. When one appropriation reimburses another, data is reported under the appropriation that provides final funding.

(3) Incidental costs that have no impact on the significance of overall MWR obligations are not reported in detail. APF support routinely allocated to MWR that does not incur any additional or incremental costs, such as personnel, are not reported.

(4) Management or staff support functions that benefit only a specific MWR activity are reported under that activity's code. Support functions supporting all MWR activities are reported under the applicable R-series codes.

(5) MWR data (except MPA and MCA) are included for the obligations on the monthly RCS CSCFA-218 Report. MWR specific data are extracted semiannually.

b. APF object class descriptions are explained as follows:

(1) *Military personnel.* Costs for military personnel assigned or used in MWR activities are computed at the annual composite standard rate for the fiscal year. HQDA will cost these personnel according to the information provided on the personnel strength report.

(2) *Civilian personnel.* Costs for civilian personnel supporting MWR are identified by salaries or wages and services and benefits. Personnel costs are accrued in proportion to time spent (permanent, temporary, intermittent, or collateral duty) in performing MWR-related duties. This does not include indirect personnel costs that are captured as part of a subsidiary costing system, such as auditing services, or costs of APF personnel who spend less than 25 percent of their workday on MWR activities. The cost of DPW personnel who perform repair and maintenance of MWR facilities is reported under "Facilities Repair and Maintenance."

(3) *Utilities.* This includes the cost of heat, light, power, water, gas, electricity, and steam. It does not include transportation and communication services nor sewage disposal and trash and garbage removal. Utility costs are reported for all buildings and facilities used entirely or principally for MWR. Where only a portion of the space is used for MWR purposes, the DPW computes utility costs using engineering cost standards. Metering devices should be installed where MWR activities consume significant amounts of utilities. Costs are prorated on the basis of relative square footage if this does not result in distortion.

(4) *Rents.* Costs include rental of real property and equipment, except transportation equipment. Where an MWR activity occupies only a portion of a space rented by the Government, APF rental charges are allocated to MWR. Relative square footage is used as the basis for allocation if this does not result in distortion.

(5) *Communications.* This includes cost of communication services and equipment paid by APFs. Examples include postage, telephone, and teletype services, or telephone installation charges. Costs include fair and reasonable charges for the use of telephones.

(6) *Maintenance and repair of equipment.* This includes costs of maintenance, repair, overhaul, or rework of equipment.

(a) Minor construction includes costs of any new minor construction and any additions, expansions, extensions, alterations, conversions, replacements, or relocations of existing facilities. See AR 420–10 for APF funding limitations. Direct material and labor costs are reported when maintenance, repair, or minor construction funded from APFs is performed for MWR activities. Where subsidiary costing systems are available to allocate maintenance, repair, or other minor work, such allocation is applied. Examples include general and administrative expenses, supplies and miscellaneous materials, and equipment use charges. Overhead allocation is necessary to preclude underestimating maintenance, repair, and construction costs.

(b) Maintenance, repair, and construction costs allocated on the basis of a job costing system (using fixed charges or unit costs for specific categories of maintenance) are used if such systems provide a reasonable aggregate estimate of costs. Costs are allocated to MWR activities on the basis of a job order system.

(c) Maintenance, repair, and minor construction of a shared facility not directly identified with either the MWR or non-MWR portions are allocated on a reasonable basis, such as relative square footage.

(7) *Supplies.* This includes the cost of expendable supplies and low-cost items that do not justify the same degree of accountability required for capital equipment. Examples include office supplies and certain athletic and recreation equipment. It does not include supplies used for maintenance and repair, which are reflected in either "Maintenance and Repair of Equipment" or "Maintenance and Repair of Facilities."

(8) *Equipment.* This includes the cost of any item of furniture, fixtures, or equipment that is not considered an investment. It does not include equipment rental costs.

(9) *Transportation of things.* This includes transportation expenses using either contract or Government resources. It also includes contractual charges incurred by:

(a) Common and contract carriers.

(b) Rental of trucks and other transportation equipment.

(c) Use of nonpassenger vehicles from motor pools.

(d) Use of Government airlift, sealift, and other transportation or logistical support.

(e) Transportation of household goods related to permanent change of station (PCS) travel for civilians transferred to full-time positions in MWR programs and activities. Expenses are charged to the gaining activity. A standard cost per mile or any other method may be used that estimates the cost fairly. Charges for transportation by airlift or sealift will use a costing method that reflects a fair user charge that includes both direct and overhead costs.

(10) *Transportation of persons.* This includes individual travel and transportation costs when the primary purpose is conducting MWR activities. It also includes the cost of TDY travel of personnel employed by, assigned to, or detailed to MWR programs, and PCS travel for civilians transferred on a full-time basis to MWR programs and activities. Expenses are charged to the employing or gaining activity. These include—

(a) Commercial transportation fares.

(b) Rental of passenger-carrying vehicles.

(c) Per diem allowances and costs of baggage transfers, telephone expenses, mileage allowances, tolls, and charges for use of Government-owned passenger-carrying vehicles. Expenses are computed by using a standard cost per mile when actual expenses are not readily identifiable.

(11) *Other contractual services.* This includes the costs of all services performed for MWR activities by contract or agreement except for accounting, civilian personnel, central procurement, credit card sales, and administrative support services. It does not include maintenance and repair contracts.

(12) *All other obligations.* This includes costs that do not apply to expenses explained above, such as refuse collection and other engineer account charges.

(13) *Construction of facilities.* HQDA reports MCA costs. APF minor construction costs are reported by each installation. APF minor construction in excess of $750,000 is reported by HQDA.

11–30. NAF reports

The majority of NAF reports are prepared at the DA level, using routine installation and IMA Region financial statements, and personnel reports from the NAF Central Payroll Office.

11–31. MWR personnel strength report

This report is divided into separate sections for NAF and APF personnel.

a. Employees paid from NAFs include U.S. citizens, U.S. nationals, and foreign nationals employed on a regular or temporary basis. (These terms are explained in the glossary.)

b. Personnel paid from APFs include assigned military personnel, civil service employees, and foreign nationals.

(1) Full-time military personnel are assigned to a MWR organization as a primary duty.

(2) Part-time military are assigned on a part-time or collateral duty basis and spend more than 25 percent of their working hours performing MWR functions.

(3) Full-time civil service employees are assigned to a MWR activity and work at least 40 hours a week.

(4) Part-time civil service employees are those who are assigned to an MWR activity and work less than 40 hours a week.

c. The count of APF paid personnel does not include any military personnel or civilian employees whose MWR-related duties are less than 25 percent of their total duties.

d. For reporting purpose, anyone who works in more than one MWR program is assigned to the program where the greatest portion of time is spent.

e. Personnel performing command supervision functions are reported in the appropriate R-series code.

f. The report reflects conditions as they existed at the end of the reporting period. Since it is used for military costing for the Consolidated MWR Execution Report, the following special instructions apply:

(1) For full-time military positions, report end strength by rank. For example, one full-time 05.

(2) For part-time military positions, report end strength by rank. For example, one part-time E7. Note that regular part-time requires more than 25 percent of workload to be devoted to MWR.

(3) Do not report military collateral duty positions that require less than 25 percent of the workload.

(4) Do not report borrowed military positions if the use of such positions is infrequent or insignificant. If the use of borrowed military occurs on a recurring basis, accumulate the work months by rank and include as a memo entry on report. For example: 100 soldiers (E3) who worked 1 month each would be reported as 100 work months—E3. Report totals semiannually on a cumulative basis.

(5) If a position has been removed from MWR and the individual reassigned, convert to work months in next report. For example, at the end of the first quarter, the full-time officer position was deleted. The officer filling the position was reassigned. The next report would reflect 3 work months at the applicable rank as there is no longer an established full-time position.

g. MWR Personnel Strength Reports are prepared twice yearly—at mid-year and at the close of the fiscal year. Those consolidated IMA Region reports for APF and military personnel assigned to MWR which are not prepared by the central NAF payroll office are forwarded to the Commander, USACFSC (ATTN: CFSC-FM) 4700 King Street, Alexandria, VA 22302–4406, not later than 30 days after the closing date. Figure 11–3 (RCS DD-M(Q)1555) provides the format for data submission. Individual submissions by program code (see table F–3) for each MWR or family program and common support/management overhead are required.

h. Overseas commands employing NAF foreign nationals report those individuals on the same documents as the APF personnel strength report. United States Army South (USARSO) is exempt since its NAF foreign nationals are reported through the central payroll system.

11–32. Employees' compensation and benefits report

Installations not receiving Central NAF Payroll support will submit the Employees' Compensation and Benefits Report (RCS DD-P&R(A)1554) to the Commander, USACFSC (ATTN: CFSC-FM), at the address in paragraph 11–31. These reports are submitted annually by MWR category and program code in the format prescribed in DOD 7000.14, volume 13, appendix A, figure 8–15.

DEPARTMENT OF THE ARMY
Director of Community Activities
Fort Swampy, US 99999-9999

October 10, 1996

Mr. Omar Sampson
18 Motorola Lane
Any City, USA 96099-0101

Account number: 092254
Balance Due: $250.00
Due since: August 30, 1995
Reason: Dishonored check

Dear Mr.Sampson:

Our records indicate that the amount shown above is now past due. We appreciate that, in many cases, past due amounts like this are caused by simple oversight and can be easily cleared by prompt payment of the balance due.

We continue to value your patronage and ask that you give this matter your prompt attention. If you have already paid this amount, or believe that the balance owed is in error, please contact us immediately at the address above, or by telephone at DSN 289-9821 or commercial (090) 556-9821. If you do not contact us within 30 days, we must assume that the amount owed is correct.

Please return the bottom portion of this letter, together with your check or money order, to the address above, and include your account number on the check or money order. You may contact us by mail or telephone to make other payment arrangements.

Sincerely,

Anita P. Oliver
Fund Manager

Please return this portion with your payment and include account number on your check.

Mr. Omar Sampson

Balance due: $250.00
Account No.: 092254

Amount Paid $ _____

Figure 11–1. Example of a debt collection letter

(Letterhead)

(Office Symbol)

(Address of Local Bank)

I, (name), hereby specify that I am currently the (Assistant Director for Community and Family Activities/Director of Community Activities, or Fund Manager if installation has no ADCFA/DCA of (location)), an installation of the United States Army. I authorize the establishment of the account(s) specified below, and further authorize the persons listed on the signature card to initiate transactions, account activity, balance, and other information reporting.

Acct # and Acct Title	# of Manual Signatures	# of Facsimile Signatures (stamp)	# of Signatures Required Per Check

Further, (Central Accounting Officer's name and title, and alternate within CAO if desired) is/are hereby appointed as my authorized substitute, and (name of local bank) is authorized to rely on his/her instructions with respect to the above account(s) as if they were issued by myself.

The Bank may continue to rely upon the above instructions unless and until specifically amended by a written notice executed by myself, or the person then holding the position of (Assistant Director for Community and Family Activities/Director of Community Activities/Fund Manager) at this installation or the substitute appointed above. Any such notice will be effective when received by you at the address given above.

(Installation)

(Signature)
(Title) (Date)

Figure 11–2. Sample of a letter of authorization to open a local bank account

RCS DD-M(A) 1555

MWR PERSONNEL STRENGTH REPORT
AS OF QUARTER ENDING 30 Sep XX (date)
Southeast Region (Command)
Consolidated (Category)
All (Program Code)

Personnel	No. of Personnel	Report by Military Rank
1. U.S. Citizens-Paid by NAF		
a. Regular		Leave blank if paid by NAF Financial Services
(1) Full-time Dependent	(1) ____	
(2) Full-time Other	(2) ____	
(3) Part-time Military	(3) ____	
(4) Part-time Dependent	(4) ____	
(5) Part-time Other	(5) ____	
b. Temporary		
(6) Full-time Dependent	(6) ____	
(7) Full-time Other	(7) ____	
(8) Part-time Military	(8) ____	
(9) Part-time Dependent	(9) ____	
(10) Part-time Other	(10) ____	
c. Intermittent		
(11) Military	(11) ____	
(12) Dependent	(12) ____	
(13) Other	(13) ____	
Subtotal	____	
2. Foreign Nationals-Paid by NAF		
(14) Full-time	(14) ____	
(15) Part-time	(15) ____	
(16) Temporary	(16) ____	
Subtotal	____	
TOTAL NAF Paid Personnel	____	
3. Military		
(17) Officers Full-time	(17) 2	(17) 1-02, 1-05
(18) Officers Part-time	(18) 1	(18) 1-04
(19) Enlisted Full-time	(19) 3	(19) 1-E9, 2-E5
(20) Enlisted Part-time	(20) 2	(20) 1-E4, 1-E5
Subtotal	8	
4. Civil Service		
(21) GS Full-time	(21) 40	
(22) GS Part-time	(22) 2	
(23) Wage Board Full-time	(23) 10	
(24) Wage Board Part-time	(24) 4	
Subtotal	56	
5. Foreign Nationals-Paid by APF		
(25) Full-time	(25) 10	
(26) Part-time	(26) 3	
(27) Temporary	(27) 1	
(28) Intermittent	(28) _	
Subtotal	14	
Total APF Paid Personnel	78	
6. Borrowed Military Manpower		
Man Months not recorded above	120	

Figure 11–3. Format for MWR Personnel Strength Report

Chapter 12
Property Management (MWR/NAF)

Section I
Separate Recordkeeping and APF Property

12–1. APF and NAF property recordkeeping

Government property may not be commingled on NAFI property or financial accounting or reporting records, except as provided for in this chapter and DOD 7000.14–R, volume 13.

a. APF property is managed at the installation level by the installation property or supply office.

b. NAF property is managed at the fund level by the DCA or equivalent designated element which also designates hand receipt holders for APF property issued to NAFIs.

12–2. APF guidelines

a. In addition to APF authorizations specified in appendix D, authorization sources for APF property are—

(1) Tables of Organization and Equipment (TOEs) and Modification Tables of Organization and Equipment (MTOEs) which prescribe personnel and equipment authorizations for like military units.

(2) Tables of Distribution and Allowances (TDAs), which prescribe personnel and equipment authorizations for specific missions for which there is no appropriate TOE or MTOE.

(3) Joint Tables of Allowances (JTAs), which prescribe equipment authorizations for activities operated jointly by two or more military Services.

(4) CTAs, which supplement TOEs, MTOEs, TDAs, and JTAs by authorizing material items required for common use by individuals or units. CTAs that relate directly to MWR activities are—

(a) CTA 50–909, which includes line item authorizations for MWR furnishings, fixtures, and equipment (FF&E).

(b) CTA 50–970, which identifies authorized expendables and other support items.

b. Other guidance on APF property management is found in the following sources:

(1) AR 71–32 prescribes policy on establishing Government requirements and obtaining equipment authorizations and describes selected types of equipment to support eligible MWR activities.

(2) AR 710–2 addresses supply responsibilities, installation procedures, and accountability and management responsibilities for APF property issued to a using unit or stored for future issue; explains expendable and nonexpendable items and the hand-receipt property book and stock record systems.

(3) AR 735–5 addresses accountability and accounting for property that is lost, damaged, or destroyed.

(4) AR 735–17 addresses books, bound periodicals, recordings, films, art prints, video cassettes, computer software, slide sets, and similar property.

(5) AR 725–50 implements six DOD military standard systems for requisitioning and issuing supplies and equipment, including the DOD Activities Address Directory (DODAAD).

12–3. Issue and receipt of APF property

a. A Government supply activity may issue only the APF supply or equipment items authorized by an authorization document. APF property issued to NAFI fund managers or other designated responsible persons by hand receipt is carried on the installation property book. APF property may be loaned only by temporary hand receipt in accordance with AR 710–2. Equipment that is unserviceable or no longer needed is turned in to the APF supply activity.

b. APF property records are maintained as required by AR 710–2 or as directed by the installation supply officer.

c. Investment equipment is any nonstandard commercial item valued at over $100,000 and procured with APFs. This equipment must be authorized by a TDA or JTA and funded from Other Procurement, Army appropriation. Use of APFs is therefore subject to all applicable APF procurement policies.

Section II
NAF Property

12–4. Controls

Controls for inventory and warehouse operations are in appendix G and DOD 7000.14–R, volume 13.

12–5. Issue and receipt of NAF property

NAF property is issued to individuals for either of the following:

a. Use of property for official functions related to MWR command supervision or operational support as defined in appendix D. Hand receipt holders may subhand receipt property to actual users as necessary. Further issue by the

subhand receipt holder is not authorized. Acceptance of NAF property is indicated by signature on DA Form 2062 or issued by electronic media. DD Form 3161 (Request for Issue or Turn-in) or issued by electronic media is used for issue to activity or program level personnel.

b. Use of property by any eligible MWR patron for social or personal use consistent with the purpose of a MWR activity. NAF property is issued by a signed hand receipt, unless items are of nominal value and used only for short periods of time. Then items are issued by a signature roster or any other system that fixes responsibility. The fund manager or property manager retains original hand receipts; the person receiving and assuming responsibility for the property keeps the duplicates.

c. The accountable officer is accountable for all NAF property, whether issued or not. Responsibility transfers to the user when the issue document is signed and remains with the user until the property is returned.

12–6. NAFI acquisition and property records

Acquisition requirements are included in the NAF budgets. Budget approval constitutes authorization for purchases. All NAF property, including that donated or transferred from another NAFI, is carried on NAFI property records.

a. Purchase. Purchase of NAF property is governed by AR 215–4.

b. Transfer. Property received from another NAFI on a nonreimbursable basis is governed by this chapter and IMA Region policy.

c. Donation. Gifts and donations received from private sources are governed by chapter 7 and accounted for at fair market value. Donated property may be sold, and the proceeds retained by the NAFI.

d. Equipment and buildings. NAF-procured equipment acquired in conjunction with new construction or facility renovation, except installed equipment, is NAF property accounted for on CAO records. Buildings acquired through NAF resources are reflected on NAF financial statements per DOD 7000.14–R, volume 13.

e. Surplus or excess APF property. Such property obtained from any DRMO, is considered loaned property and accounted for on memorandums of receipt, rather than added to NAFI property records. DRMO transactions require a DOD Activities Address Directory (DODAAC) as explained in AR 725–50 and AR 735–5. Authorization on the CTA or TDA is not required. It is accounted for in the same manner as other APF property and returned to the servicing DRMO when no longer needed. The controlling NAFI will not sell APF property, nor will any proceeds gained from the use of APF property accrue to the NAFI.

f. Installed equipment. Permanently installed equipment purchased with NAFs (such as plumbing, wiring) that is considered a part of buildings or other structures is managed separately by the DPW and is not carried on NAF property records or hand receipted.

g. Property records. AFRC-Europe, Shades of Green, Hale Koa Hotel, and Dragon Hill Lodge property records are maintained according to generally accepted hospitality industry standards as an exception to DFAS policies contained in DOD 7000.14–R, volume 13, chapter 4, paragraph A0404. Property records of all other MWR activities and other NAFIs are maintained in accordance with the above-cited DFAS regulation. This includes all fixed assets and expendable and nonexpendable items of sufficient value or sensitivity to warrant continual cognizance and control.

12–7. Nonavailability of APF property

a. If an item of APF property authorized by any source listed in paragraph 12–2 and appendix D is not reasonably available for use in an MWR activity, a similar or like item may be purchased as NAF property if the urgency of need and inability to issue are adequately documented. The fund manager must approve the request to purchase a like or similar item from a commercial source, based on the following:

(1) The installation supply office or other issuing authority must certify that the requested item will not be available by the date required.

(2) The activity manager must certify that the item is essential to the operation of the MWR activity, has been properly requisitioned, and procurement officers confirm the requisition cannot be filled by the date required.

(3) The request, and all supporting documentation, must be complete and verifiable for audit or inspection purposes.

(4) The CPMC budget must be revised as necessary to support the purchase.

b. Requisitions for authorized APF property must be submitted in a timely manner and within normal supply lead times. Requests for NAF purchase due solely to late submission of a requisition will not be approved.

12–8. NAFI property transferred to the Government

NAF property may be transferred to the Government only if the property item is listed on an appropriate APF authorization document or a request to add the item to an authorization document is approved. Property transferred to the Government will not be subsequently transferred back to the NAFI. Proceeds from the sale of transferred property do not accrue to the NAFI.

12–9. Loans of NAF property

NAF property may be loaned only to—

a. MWR patrons, while participating in MWR activities.

b. Other NAFIs for periods of 90 days or less. A requirement for a period in excess of 90 days is considered to constitute a continuing need and is the basis for a purchase.

12–10. NAF property management functions

a. NAFI fund managers serve as accountable officers for all NAF property. They ensure proper care, maintenance, and disposition, and supervise property managers or assistants, as applicable. If required, they serve as responsible property officers for APF property issued to the fund and comply with all applicable APF property regulations. NAFI fund managers—

(1) Ensure that property is adequately insured against loss, damage, or destruction per chapter 14.

(2) Receive or confirm receipt of purchased items through receiving reports, in accordance with terms of purchase.

(3) Comply with all inventory requirements and procedures in accordance with this chapter, appendix G, and DOD 7000.14–R, volume 13; establish fixed asset inventory numeric or alpha-numeric listing in coordination with the CAO; furnish inventory team members for other than independent teams; and ensure agreement between NAFI and CAO records and inventory results.

(4) Redistribute or dispose of excess NAF property in the most cost effective manner, per IMA Region policy.

(5) Report losses and cooperate in or conduct necessary investigations described in chapter 13. Recommend relief of individuals from responsibility per appendix L when loss, damage, or destruction of property is not caused by neglect or misconduct.

b. Central accounting officers receive and process all NAFI property documents and maintain applicable records, including reconciling inventory counts to property records when inventory results are approved by the local commander. They also:

(1) Maintain NAF property records for the accountable fund manager, when requested.

(2) Use fixed asset records as the basis for general ledger fixed asset accounts and for determining depreciation expenses and schedules.

(3) Arrange independent physical inventories and follow-on adjustments to records.

(4) In coordination with the Services Division or equivalent, develop and maintain a NAF property identification numbering system which includes applicable inventory listings and the make, model, and serial numbers.

c. Activity managers reconcile property accounts upon assuming their positions and periodically thereafter, as directed by the accountable officer.

12–11. Receiving procedures

a. Property will be inspected for overages, shortages, damage, or other discrepancies. Discrepancies are noted on the receiving document, DD Form 250 (Material Inspection and Receiving Report), DA Form 4067–R (Order for Supplies or Services/Request for Quotations (NAFs)), or vendor's invoice (see AR 215–4). Signed documents are forwarded to the CAO for payment and inclusion in inventory records.

b. Items of NAFI property, as classified below, will be physically marked with a durable form of identification. Classifications are explained in DOD 7000.14–R, volume 13.

(1) Fixed assets.

(2) Nonexpendable items accounted for on NAF property records.

(3) All expendable items with a unit cost less than $1,000, which are considered sensitive or susceptible to pilferage.

c. Storage and property protection will include the following actions:

(1) Building entrances and exits are limited to manage the flow of employees and customers away from storage areas. Except for fire exits, all entrances and exits are monitored to ensure that no items leave the building without being properly issued.

(2) Anti-theft devices are purchased, installed, and used as recommended by the installation provost marshal.

(3) Proper temperatures are maintained in storage areas for perishable items. Appropriate monitoring or alarm systems are used.

(4) Firearms and ammunition are secured in accordance with AR 190–11.

12–12. NAF inventories

a. All NAF property is inventoried annually and upon change of fund manager or accountable officer.

b. Inventory procedures are specified in DOD 7000.14–R, volume 13, and appendix G.

12–13. NAF losses

a. For purposes of this regulation, the term "property loss" includes all NAF property that is lost, damaged, or destroyed by causes other than fair wear and tear. This may involve natural disasters, hostile action, mysterious disappearance, robbery, theft, or similar causes.

b. All fixed assets and other NAF property for which records are maintained should be insured against loss by the

Army Central Insurance Fund (ACIF) described in chapter 14. The cost of insurance is considered a normal business expense for financial protection.

c. Accountability records:

(1) Property items or combinations of items valued in excess of $2,000 that have been lost, damaged, or destroyed for causes other than fair wear and tear are dropped from accountability records only after an investigation is conducted as prescribed in chapter 13.

(2) Minor operating losses require no investigation and inventory levels are adjusted as required; however, repeated losses of low-cost items are cause for a review of inventory controls and an investigation, if appropriate.

d. Property losses that involve individual pecuniary liability are investigated and any resulting claims processed per chapter 13.

12–14. Disposition of NAF property

a. Transfers within the Army.

(1) The preferred method of disposal of NAF personal property is the transfer of property to another NAFI within the same IMA Region. If this method is not cost effective or for any number of other reasons, the responsible IMA Region will decide on the proper method of disposal. Transfers between IMA Regions will satisfy requirements of both the losing and gaining IMA Region.

(2) Transfer of NAF personal property resulting from demobilization and redeployment are addressed in chapter 8.

b. Sales. All sales proceeds are returned to the NAFI conducting the sale or the successor fund if the NAFI is being disestablished.

(1) *Installation sales.*

(a) Serviceable NAF property not needed may be transferred or offered for sale to other Army NAFIs, or, with IMA Region approval, sold to NAFIs operated by the other military Services.

(b) If other Army NAFIs cannot use the personal property or it is not advantageous to transfer or sell to other NAFIs, serviceable property may be sold at no lower than fair market value to authorized MWR patrons, the public, or civilian businesses or organizations, or the local community affected by BRAC actions.

(2) *Auction sales.* Installation auction sales are to the highest bidder. The fund manager prepares and authenticates a list of all property to be sold with space for recording the sale price if sold at an installation auction or the sale price, commission, and net proceeds if sold under consignment by a commercial auction service. The list is returned to the fund manager and the proceeds are deposited in the NAFI account, after which the CAO validates the listing and updates the fixed asset inventory.

c. Real property sales resulting from BRAC actions. Proceeds from NAF real property or facilities acquired, constructed, or improved with NAFs at BRAC locations will be deposited in a reserve Treasury BRAC account. The amount deposited will be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real property or facility. The Secretary of Defense may use amounts in the account for acquiring, constructing, and improving NAFI real property and facilities.

d. Transfer or sale to other Military Services or U.S. Government Agencies. When control of an installation or organization is transferred from one military service to another or to another U.S. Government department or agency, the disposition of NAF assets or liabilities is determined by the IMA Region through negotiation. These negotiations will assure a fair and equitable distribution of assets in consideration of current and foreseeable requirements of the affected installations or organizations.

e. BRAC installations. When an installation is closed due to BRAC, MWR NAF personal property is not offered to the Local Redevelopment Authority (LRA) in the same manner as APF property disposed of at BRAC installations. Because MWR NAF personal property belongs collectively to soldiers and is not considered APF Government property (as relates to BRAC actions), the BRAC-affected installation, in coordination with the parent IMA Region, may decide on the disposition of NAF property through transfer or sale in accordance with the above policies. Every effort will be made to ensure that the LRA is aware of the difference between APF and NAF personal property. MWR APF personal property is subject to the normal BRAC rules on the disposition of property. More specific information on BRAC-related actions is contained in the MWR Guide to Army BRAC Installations, issued separately by USACFSC (CFSC–SP).

f. Trade-ins. New equipment may be purchased under conditions that allow trade-ins of used equipment when there are disposition advantages and price reductions on new equipment.

Section III
Other dispositions

12–15. Recycling

a. Installation MWR programs will participate in a recycling program to the maximum extent practicable. All recyclables emanating from the MWR program are segregated and disposed of accordingly.

b. If authorized by the garrison commander and there is a projected positive net return on investment of NAF

resources to the IMWRF, the DCA or equivalent may operate some or all of the installation recycling program per AR 420–49 and other appropriate regulations and guidance. MWR recycling operations must work closely with the DPW/ Director of Logistics (DOL) and DRMO.

c. For recycling programs designated by the commander as a Qualifying Recycling Program (QRP), proceeds from sales are deposited in the Installation Recycling Account (installation clearing account 21F3875.1111) or the IMWRF, as follows:

(1) Funds sufficient to cover the costs of operations, maintenance, and overhead for processing recyclable materials at the installation (including the cost of any equipment purchased for recycling purposes) are credited to the OMA at the installation.

(2) If a balance remains after expenses are paid, not more than 50 percent of the amount may be used at the installation for pollution abatement, energy conservation, and occupational safety and health projects. These funds may not be used for projects costing more than 50 percent of the amount established by law as the maximum amount for a minor construction project.

(3) The balance, up to 100 percent, of the Installation Recycling Account may be transferred to the IMWRF.

(4) When the Installation Recycling Account balance exceeds $2 million at the end of the fiscal year, the excess amount is turned over to the U.S. Treasury.

(5) The DCA, or equivalent, will obtain and monitor monthly reports of the installation recycling account balances and planned expenditures.

d. Funds generated from recycling, either through MWR operation or the Installation Recycling Account, are accounted for under the applicable program code and MWR category outlined on the MWR web site at www.armymwr.com (under Financial Management Documents), and DOD 7000.14–R, volume 13.

12–16. Precious metals

Materials containing recoverable precious metals are not disposed of through private commercial sources. All excess precious metals and salvageable items which contain recoverable precious metals, purchased with either APFs or NAFs, are turned in to and processed by the DRMO through the DOD Precious Metals Recovery Program. This includes silver-bearing hyposolutions discarded by arts and crafts photography labs. There is no payment to the IMWRF for sales of precious metal.

12–17. Auto skill unique items

Waste, motor oil, used auto parts, and similar items left by self-help patrons in automotive skills shops are considered donations to the IMWRF, as defined in chapter 7, and may be salvaged. Income from sales to commercial sources is used to support authorized NAF expenses of any MWR activity. For large, privately owned items such as drive trains and major auto body components, a statement signed by the owner will document transfer of ownership to the NAFI.

12–18. Firearms and ammunition

a. The sale or transfer of firearms or ammunition is subject to the provisions of chapter 8.

b. Turn-in of demilitarized firearms to the DRMO is subject to the provisions of DOD 4160.21–M (Defense Materiel Disposition Manual).

12–19. Salvage

Items, whether serviceable or unserviceable, that are not disposed of through any of the methods described in paragraphs 12–14 through 12–18, including recycling, may be turned in to the DRMO for salvage, or may be disposed of as scrap under NAF contract.

a. For DRMO disposal, DD Form 1348 will accompany items turned in. Each document will include a statement that the item was procured with NAFs, applicable DODAAC number (AR 725–50 and AR 735–5), SNN of the NAFI per appendix F, item description, and book value.

(1) The DRMO will provide a copy of the document to the CAO, which relieves the fund manager or property officer of accountability and causes property record adjustment.

(2) Eighty percent of DRMO sale proceeds are rebated to the NAFI.

b. For items salvaged through commercial sources, rebates are based on the terms of the contract.

12–20. Calibration

Calibration of NAFI test, measurement, and diagnostic equipment (TMDE) is done free-of-charge at Government-owned or controlled calibration facilities. TMDE calibration requirements are coordinated in advance with the installation DOL.

Chapter 13
Management Controls, Audits, Inspections, and Investigations

13–1. Key management controls

a. Minimum essential key management controls for manager evaluation are outlined at appendix K, this regulation.

(1) A separate checklist to assist commanders through the BRAC process is distributed separately by USACFSC (CFSC–SP).

(2) A separate checklist for AFRCs is issued separately by USACFSC (CFSC–HS).

(3) A separate checklist for ARMP-owned and operated machines is issued separately by USACFSC (CFSC–HS).

(4) USACFSC manuals pertaining to the various in-house branded theme concepts (Primo's, Reggies Beverage Co., Mulligans) include checklists. Manuals are issued separately by USACFSC (CFSC–BP).

(5) Key management controls on NAF construction planning are contained in AR 415–19.

b. Evaluation of management controls includes a detailed, systemic, and comprehensive examination to determine whether controls are in place, being used as intended, and effective in achieving their purpose. Formal management control evaluations of key management controls must be conducted at least once every five years; however, controls for high risk areas may require more frequent evaluation.

c. Evaluations must be based on actual testing of these key management controls and must make a specific determination of their effectiveness. This evaluation must be supported by documentation that clearly indicates who conducted the evaluation and when, what methods were used to test the key controls, what management control deficiencies (if any) were detected, and what corrective actions were taken. Certification that an evaluation was conducted is documented on DA Form 11–2 (Management Control Evaluation Certification Statement) published in AR 11–2 as a reproducible form, or can be issued by electronic media.

13–2. Audits

a. This chapter implements DODI 7600.6 (Audit of Nonappropriated Fund Instrumentalities and Related Activities). Audits are performed by the installation internal review (IR) offices, U.S. Army Audit Agency (USAAA), or contracted certified public accountants (CPA). Jointly, USAAA and IR auditors perform audits of functional areas selected by the Joint USAAA/IR MWR Audit Planning Group.

b. USAAA audits are conducted in accordance with AR 36–5 and IR audits per AR 11–7. Procedures for conducting internal audits of DOD operations, systems, programs, and functions are in DOD 7600–7–M (Internal Audit Manual).

c. When contracting with a certified public accounting firm, The Auditor General must approve the solicitation before its release and contract award. Contracts will include a provision to allow technical review by USAAA when deemed necessary.

d. Annual audits, which may be financial or compliance in nature, are conducted for—

(1) All NAFIs with annual revenues or expenses that exceed $7 million except those NAFIs consisting of groups of activities such as IMWRFs. The DOD Inspector General must give written approval for exceptions to the $7 million threshold.

(2) NAFIs with operations deemed to be highly sensitive due to the potential for fraud, waste, abuse, or wide public exposure.

e. Performance audits are the preferred method of NAFI audit coverage.

f. Terminal audits must be performed for all NAFIs being disestablished.

g. The system and application of management controls are examined during a NAFI audit.

h. If evidence of a criminal offense, fraud, gross mismanagement, wrongdoing, or misconduct is detected, notification will be made to the installation provost marshal's office (PMO); and if applicable, a Serious Incident Report (SIR) will be submitted per AR 190–40 (Serious Incident Report). After a SIR is submitted, the commander may conduct an investigation to determine the cause and fix responsibility.

13–3. Inspections

Inspections are conducted per AR 20–1 (Inspector General Activities and Procedures).

13–4. Investigations

a. Investigations into NAFI losses are conducted per AR 15–6 (Procedure for Investigating Officers and Board of Officers Conducting Investigations) and initiated when—

(1) Prescribed by a relevant Army regulation.

(2) Directed by a commander or approving authority.

(3) Required to establish proof of loss for NAFI insurance purposes as prescribed in chapter 14.

(4) Cash or NAF property losses over $2,000 are a result of—

(a) Apparent theft where there are no visible signs of breaking and entering.

(b) Mysterious disappearance.

(5) Inventory variances exceeding $500.

(6) Retail sales accountability variances exceeding $500.

(7) Circumstances indicate—

(a) A lack of or disregard for management control procedures.

(b) Fraud, dishonesty, willful misconduct, recklessness, or wanton disregard for the safekeeping of NAF assets.

(c) Individual actions are beyond the scope of employment or permitted use.

8. A second or succeeding loss at the same location under similar circumstances.

b. For losses below $2,000 and/or where the circumstances above do not exist, the process at appendix L will be followed.

c. Claims against contractor or commercial entities are processed per ARs 27–20, 27–40, and 215–4.

Chapter 14
The U.S. Army NAF Risk Management Program

Section I
Introduction

14–1. Policies and principles

This chapter describes the basic policies and principles that govern the U.S. Army NAF Risk Management Program (RIMP). Subsequent sections provide details on coverages and claims procedures.

14–2. Applicability

a. This chapter applies to—

(1) All U.S. Army NAFIs worldwide. All U.S. Army NAFIs worldwide (except as provided in c below) including chaplains' funds and NAFIs of the Department of Defense and other agencies for which the Army has executive agent responsibilities. They include the Defense Logistics Agency, Defense Mapping Agency, National Security Agency, and the DOD Concessions Committee.

(2) Civilian NAFIs on Army installations. Civilian NAFIs may participate in RIMP only if the AAFCWF Board of Directors approves.

b. Isolated unit funds that own property should report to RIMP through the supporting IMWRF.

c. This chapter does not apply to AAFES, the Cadet Mess Ration Fund USMA, the U.S. Army Reserve, or the U.S. Army National Guard.

14–3. Administration

a. RIMP is a centralized property and casualty insurance program for U.S. Army NAF activities. The Director, Financial Management, USACFSC, administers the program for the Commander, USACFSC.

b. The ACIF is a NAFI which receives and disburses the funds of RIMP.

c. The objective of RIMP is to provide broad insurance protection for Army NAF assets at the lowest cost. Assets purchased with APFs are not covered under this program. RIMP will use self-insurance programs and centralized commercial insurance to provide insurance protection.

d. Address inquiries to USACFSC (CFSC-FM-I), 4700 King Street, Alexandria, VA, 22302—4406.

Section II
The Risk Management Program

14–4. Policy

a. RIMP follows the general principles of the commercial insurance industry in administering the self-insurance program. Special terms used in this chapter are contained in the Glossary.

(1) RIMP maintains a database of insured assets, employees, and payroll. As coverage needs of NAFIs are identified, RIMP provides the coverage either through the self-insured program or a commercial insurance company.

(2) RIMP invoices NAF activities for the cost of insurance and maintains reserves to pay claims.

(3) Losses covered by the RIMP programs are adjusted and payment of claims is made from the ACIF. Other than claims processed under the provisions of AR 27–20, general principles of the insurance industry are used in adjusting claims.

(4) RIMP maintains data on loss history and advises NAFI managers of losses that could be prevented or reduced with proper attention to loss and accident prevention measures.

b. All NAFIs must participate in RIMP and certain coverages are mandatory. This ensures there is an acceptable spread of risk so that routine losses can be predicted with accuracy and there is stability in the RIMP programs.

c. Other insurance is not allowed unless specifically authorized by the Director, Financial Management, USACFSC.

d. When the value or nature of certain insurable exposures dictates, RIMP may obtain commercial insurance coverage to protect exposure to loss.

e. Insurance policies are not issued under this program. Annually, each fund manager will correct statements of insured exposures to update the RIMP database.

14–5. Insurance programs

a. Separate insurance programs within RIMP are—

(1) *Property.* NAFI assets including buildings and contents, equipment, furniture, fixtures, inventory; watercraft, vehicles, and aircraft; money and securities and fidelity bonding for employees.

(2) *Tort.* Claims against NAFIs due to general liability. Such claims are defined and processed under the provisions of AR 27–20.

(3) *Workers' Compensation.* On-the-job injuries and illnesses. Coverage is mandated by Federal statutes.

(4) *Cargo.* Merchandise and property shipped to and from NAFIs. This coverage may be mandatory, depending on the dollar value of the shipment.

(5) *Unemployment Compensation.* Benefits for former NAF employees as required by Federal law. RIMP administers the program for Army NAF activities.

(6) *Family child care providers.* The ACIF maintains a RIMP claims fund for family child care (FCC) providers which is used to pay claims against FCC providers adjudicated per AR 27–20.

b. Participation in the following RIMP programs is mandatory:

(1) Fidelity bonding, money, and securities.

(2) General tort, vehicle tort, and aircraft liability for flying and parachute activities.

(3) Workers' Compensation and Unemployment Compensation.

(4) Family Child Care (FCC) Providers Claims Fund.

14–6. Review of insured exposures

a. RIMP records the physical assets, money, number of employees, and annual payroll of each NAFI to form an Army-wide database. This database is updated and corrected at times to permit a fair allocation of self-insured premiums. Large NAFIs with many employees, high dollar sales, and substantial physical assets are charged more in premiums than small NAFIs (such as the Chaplains' Fund, with one fund manager, no salaried employees, and limited physical assets). Annually, RIMP sends a Review of Insured Exposures to fund managers which shows the insurance data recorded. The fund manager updates the review and returns it to RIMP. The fund manager should sign, date, and return the review whether there are changes or not. This information provides a new database and forms the basis from which claims are paid. Assets not recorded on the Review of Insured Exposures are not insured. Claims are paid for assets that are properly reported for coverage. Coverage is effective the date the Review of Insured Exposures is signed. Premiums are adjusted based on the updated survey information, effective the date the new Review of Insured Exposures is signed.

b. As part of the review, the fund manager receives a copy of DA Form 4316–R (Application for Building Insurance) showing the data currently recorded for each insured building. RIMP provides a formula for establishing the actual cash value (ACV) of each building on the DA Form 4316–R, based on updated building costs per square foot and local area cost factors. The fund manager may accept the ACV as computed or may request a different ACV with supporting justification.

c. Fund managers should notify RIMP when the insurable value of contents changes more than 10 percent per location from that recorded on the Review of Insured Exposures. A change of more than 10 percent in the number of employees should also be reported.

d. RIMP provides coverage for newly acquired aircraft, vehicles, computers, buildings, building improvements and betterments, watercraft, livestock, and unlicensed vehicles for 30 days from date of acquisition. The fund manager must submit a written request for coverage to RIMP for coverage to be continued beyond 30 days.

14–7. Loss and accident prevention

a. In order to prevent or reduce losses and keep cost of insuring programs as low as possible, fund managers must observe DA, IMA Region, and installation safety procedures.

b. Accident prevention and safety policies are outlined in the following regulations:

(1) AR 190–13 (The Army Physical Security Program).

(2) AR 190–40 (Serious Incident Report).

(3) DA Pam 385–1 (Unit Safety Management).

c. Self-inspection forms (DA Form 285, U.S. Army Accident Investigation Report) are used by fund managers to detect unsafe practices and conditions.

14–8. Foreign insurance coverages

a. Workers' Compensation and Employers' Liability.

(1) In foreign nations, where local nationals working for the United States are required to be covered by the host nation's Worker's Compensation and Employer's Liability plan, private insurance is not allowed.

(2) The local commander will insure foreign employees in accordance with host nation requirements.

b. Automobile and general liability.

(1) RIMP provides physical damage insurance coverage as specified in section X in those foreign countries where the use of such vehicles is authorized. RIMP does not provide insurance coverage for bodily injury or death, or property damage sustained by third parties in nations where the United States does not have a Status of Forces Agreement (for example, Austria and Switzerland).

(2) Local commanders will require NAFIs that lease recreational vehicles to authorized users to obtain commercial liability insurance (proof of which is shown by a Green Card) to cover third party liability whenever the contemplated use of such vehicles includes travel to countries where the United States does not have a Status of Forces Agreement or where proof of liability insurance is required to enter the country.

(3) NAFI vehicles may not be operated in a country where a Status of Forces Agreement does not exist unless prior approval is obtained from the host country.

c. Optional foreign insurance coverages. When participation in host nation insurance funds or commercial insurance companies is not required by law but is an option, NAFIs will use the RIMP insurance program. Where overriding circumstances exist, requests for exceptions are sent to USACFSC (CFSC-FM-I) 4700 King Street, Alexandria, VA 22302–4406 for consideration and final decision.

14–9. Insurance requirements for concessionaires and contractors

Guidance regarding insurance requirements for concessionaires and contractors is contained in AR 215–4.

14–10. Claims against users

a. Damage to NAF property insured under RIMP is adjusted under the Property Program described in this chapter. RIMP reserves the right to seek recovery for claim payments against authorized users, through procedures established in chapter 13 or through legal proceedings.

b. Users of NAF property and facilities may be held legally liable for bodily injury or damage to the property of others caused by their negligence or omissions. Claims against authorized users are adjudicated per Section IV.

Section III
Financial Requirements

14–11. Funding

a. The Army MWR Fund is the successor-in-interest to the ACIF.

b. Rates used to calculate premiums are derived from the RIMP database and loss experience. The rates will be the minimum amount necessary to produce income for self-insured and commercially insured loss projections, plus a 10 percent surplus. Rates may be revised each year based on actual losses.

c. A premium for tort insurance is charged to all NAFIs for general liability coverage. An extra premium is charged for automobile liability coverage.

14–12. Premiums

a. Invoices for insurance premiums are mailed each October for the fiscal year. NAFIs with poor loss records may be subject to a surcharge imposed by RIMP, based on dollar value of claims paid.

b. NAFI fund managers should project their cash flow and be prepared to pay according to the billing schedule each year.

c. The payment of RIMP insurance invoices including unemployment compensation assessments is paid by the electronic transfer of funds from NAFI bank accounts through the Central Banking Program. RIMP mails the original insurance invoice to the NAFI and a copy to the servicing CAO. The fund manager should review the invoice and notify the RIMP immediately if an adjustment is necessary. RIMP processes the adjustments and sends a corrected invoice to the NAFI and the servicing CAO. On the 30th day after the invoice date, the premium is automatically debited from the NAFI bank account. The transaction is shown on the NAFI's monthly bank statement.

d. For those NAFIs not participating in the electronic transfer, ACIF invoices are due in full when received. ACIF invoices not paid within 30 days of the invoice date incur a 15 percent late fee surcharge. Claims made by NAFIs with outstanding premium balances are not considered by RIMP until all premiums are paid.

e. NAFIs have the option to pay their annual insurance invoices on a quarterly basis. A predetermined charge is

applied to each quarterly payment. Within 30 days of receipt of the annual invoice in October, each fund manager must advise RIMP how payments will be made.

14–13. Maintenance of funds

a. Annual premium and expenses are established for the following programs for each fiscal year:

(1) Property Program.

(2) General Tort Program.

(3) Workers' Compensation Program.

(4) Workers' Compensation Program for Korean Nationals.

(5) Aircraft Liability Program.

(6) Vehicle Tort Program.

(7) Open Cargo Program.

(8) Unemployment Compensation Program.

(9) Family Child Care Program.

b. Reserve funds are replenished each year based on actual exposure to loss. Reserves are established within the ACIF by the Director, Financial Management, USACFSC, and are based on audits and actuarial reviews. Reserve funds include—

(1) *Tort reserve.* This reserve is established annually based on known liabilities of general tort, vehicle tort, and aircraft tort.

(2) *Workers' compensation.* This fund is used to pay workers' compensation claims and expenses only. It is not commingled with other funds or used for any purpose except expenses and claims related to the workers' compensation program. Reserves are established based on the annual actuarial review.

c. In order to provide funds to pay for catastrophic losses, fund balances are maintained for each of the programs in paragraph 14–13*a* above. The Director, Financial Management, USACFSC, is charged with determining the appropriate fund balance for each program based upon the potential liabilities.

Section IV
Claims Against NAF Activities—Tort Program

14–14. Types of claims and approval procedures

a. Claims covered by this section include—

(1) Claims against NAFIs (tort claims) due to acts or omissions of the NAFI, or its employees.

(2) Claims by employees of NAFIs for loss, damage, or destruction of personal property incident to their employment.

(3) Claims arising out of the activities of members or authorized users of NAF property.

(4) Claims arising out of the activities of FCC providers (para 14–20).

b. Workers' compensation claims procedures are prescribed in Section XV.

c. Procedures for settling and paying tort claims are set forth in AR 27–20, chapter 12. The ACIF acts as a disbursing agent for the payment of claims settled by claims approval and settlement authorities under the provisions of AR 27–20, or by the Department of Justice.

14–15. Tort claims

a. Claims against NAFIs as described in paragraph 14–14 are investigated, processed, and settled by claims approval and settlement authorities using the procedures described in AR 27–20 and this regulation. Procedures for claims arising out of activities of FCC providers are outlined in AR 27–20 and paragraph 14–20 of this chapter. Separate procedures for claims arising from flying activities are outlined in paragraph 14–61 .

b. Generally, NAFIs may not procure or pay for public liability insurance. Exceptions may be requested through channels to the Director, Financial Management, USACFSC.

c. Claims may arise from the activities of:

(1) NAF civilian employees of NAF activities.

(2) Active duty military personnel while performing off-duty, part-time work compensated from NAFs.

(3) Members of recreational NAFIs or authorized users of NAF recreational property, while using such property, except real property, in the manner and for the purposes authorized by DA regulations and/or the charter, constitution, or bylaws of the particular NAF membership activity.

(4) FCC providers, members of their households, and substitute providers as prescribed in paragraph 14–20 of this chapter.

d. Litigation may arise from the following:

(1) Civil action brought against a NAFI, its officials, or employees, based on acts or omissions committed within the

scope of their duties or employment, is reported per AR 27–40, chapter 2. Actions normally are defended by the Department of Justice, and legal representation is obtained as prescribed in AR 27–40, chapter 3.

(2) If a soldier, employee, or other authorized user of NAF property is sued individually because of an alleged act or omission committed while using NAF property, and if TJAG or designee determines the property was being used in the manner and for the purpose authorized, NAFs may be used to pay expenses incident to the suit, judgments, and compromise settlements.

(3) The filing of such suits are reported per AR 27–40. The report may include a request for authority to employ civilian counsel. Instructions are issued that provide guidance to persons who might be sued individually in connection with the use of fund property. The instructions will direct the person, upon being served, to deliver the summons immediately to the responsible NAFI fund manager, to cooperate fully with the NAFI representative to defend against the suit, and to refrain from making any statement except as permitted by this regulation.

(4) Only TJAG or a designee may authorize employing civilian counsel.

(5) If authority to employ civilian counsel is granted, TJAG or a designee will—

(a) Issue instructions to attorneys who are employed pursuant to this authority.

(b) Determine whether a compromise offer should be accepted and paid.

(c) Determine whether satisfaction of the judgment rendered against the individual sued is properly the responsibility of the NAFI involved.

(6) Upon certification by TJAG or designee that payment of attorney fees, litigation expenses, compromises, and judgments is proper, payment is made per AR 27–20, chapter 12. Expenses incident to suits arising out of the operations of NAFIs, other than those of the AAFES, are paid by the ACIF.

14–16. Investigation of claims—fund manager's role

a. Any incident involving personal injury or property damage can result in a claim. Even where no injury or damage is apparent, established claims procedures are followed in the event a claim is filed at some future date. Any incident which may potentially cause a claim requires the guidance of the local staff judge advocate.

b. Fund managers should establish local procedures to ensure—

(1) All incidents are reported to the fund manager.

(2) Employees understand the importance of recording relevant information such as date, time, and place of incident; injured person's name, address and phone number; names of witnesses; condition of premises; nature of injury or damage to property; and any statements made by persons involved.

c. Upon learning of any incident that may result in a claim, the fund manager must—

(1) Notify the appropriate CJA.

(2) Provide the CJA with all relevant information recorded at the time the incident occurred. The fund manager should also report other information which may have a bearing on the incident, such as specific instructions or warnings provided to patrons; documented efforts to repair known defects; and agreements with patrons, such as rental agreements, waivers, and hold harmless agreements used with recreational equipment and facilities or in conjunction with particular activities.

(3) Notify the ACIF (CFSC-FM-I) within 24 hours of all incidents involving death or serious injury requiring hospitalization. Per AR 27–20, paragraph 12–3*c*, the CJA will notify the ACIF of claims against NAFIs that are filed in excess of $25,000.

(4) Direct all communication and correspondence regarding the incident or claim to the appropriate CJA. Fund managers have no authority to pay bills or expenses related to a claim or to attempt to settle a claim.

(5) Follow procedures for payment of claims set forth in paragraph 14–19.

d. Separate procedures apply for incidents and claims arising from flying and parachute activities. Guidance is located in paragraph 14–61.

14–17. Claims by employees

Claims by employees of NAFIs for loss, damage, or destruction of personal property incident to their employment are investigated and processed per AR 27–20, chapters 2, 11, and 12. Claims are paid from NAFs.

14–18. Contract claims

The SJA will be consulted when it is unclear whether a case should be processed as a contract claim under AR 215–4 or as a tort claim under AR 27–20.

14–19. Payment of claims

a. The settlement or approving authority responsible for adjudicating the claim determines whether a claim is payable or not, what amount is to be paid, and whether payment is to be made from NAFs or APFs.

b. Procedures for payment are outlined in AR 27–20, paragraph 12–7.

(1) Valid claims of $100.00 or less are paid by the NAFI sustaining the loss.

(2) Valid claims in excess of $100.00 are sent by the CJA to the ACIF for payment in full if approved by the settlement authority. Payment is not made by the NAFI.

Section V
Claims Against FCC Providers

14–20. Establishment of FCC Claims Program activities

Effective 1 October 1985, RIMP established a program to provide payment of certain claims arising from the activities of FCC providers. To be cognizable, claims must arise from child care activities provided as part of the quarters-based system of child care authorized by AR 608–10.

14–21. Claims

a. The processing of claims arising from the activities of FCC providers while providing care under the FCC program is set forth in AR 27–20, chapter 12. Such claims generally are limited to injuries or death to children receiving care under the FCC program due to the negligence of the FCC provider, authorized members of that provider's household, and approved substitute providers. A claim is not payable if it is based upon any death or injury arising out of any criminal act or omission or any otherwise intentional tort or intentional violation of applicable laws or regulations (such as assault, battery, indecent assault, rape, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit). Claims arising from the transportation of such children in motor vehicles and claims involving loss or damage of property are not cognizable. The total payment for all claims (including derivative claims) arising as a result of injury to or death of any one person is limited to $500,000 for each incident. Continuous or repeated exposure to substantially similar general harmful activity or conditions is treated as one incident for purposes of determining the limit of liability.

b. The claims settlement or approving authority determines the liability and the amount of the award. If a decision has to be made whether to pay from NAFs or APFs, the matter should be referred to Commander, U.S. Army Claims Service (USARCS), ATTN: JACS-TC, Fort Meade, MD 20755, for resolution. If a claim is found meritorious and payable from NAFs, payment is made by RIMP per paragraph 14–14 and AR 27–20, chapter 12. Upon certification that costs are proper, payment is made by RIMP.

c. Claims authorities in the field may ask, through the Commander, USARCS, for an advisory opinion from the USACFSC prior to settling any claim arising under paragraph a above, where it is not clear that the injured or deceased child was receiving care within the scope of the FCC program.

14–22. Reporting requirements

a. All incidents of personal injury and death to children under the care of a FCC provider are reported by the FCC provider to the FCC director, who immediately reports to the local CJA. The Child Development Services (CDS) coordinator must cooperate with the CJA in investigating and resolving all claims. CDS coordinators will inform RIMP (CFSC-FM-I), by letter within 3 days, of any claim arising from the activities of FCC providers while providing care under the FCC program (exempt report, AR 335–15).

b. The CDS coordinator reports the name, social security number, and date of certification for each fully or provisionally certified FCC provider at each installation or community to RIMP as of 1 October of each year. This information is used in a database of providers and assists in determining authorized NAF claims costs. The authorized USACFSC NAF claims costs associated with the FCC program is determined by the Commander, USACFSC, or his designee. Throughout the year, additional providers certified after 1 October are reported to RIMP. Certified providers who transfer to another installation or community need not be reported by the new installation or community until 1 October of the next year.

c. APFs are used to pay FCC claims fund cost, per the Military Child Care Act (MCCA) (Pub. L 101–189).

14–23. Private insurance

The RIMP program is intended to provide certain limited claims relief as described in AR 27–20, chapter 12. It is not a substitute for private liability insurance. Whether or not to carry private liability insurance is an independent business decision made by the FCC provider.

Section VI
Property Program—Introduction

14–24. Property program coverage

a. The RIMP property program protects the value of assets acquired with NAF or assets donated to a NAFI, and the property leased to a NAFI where the leasing agreement requires the NAFI to have property insurance. The property program also covers the interest of the NAFI in the real and business property of others in the care, custody, and control of the NAFI; and the NAFI's liability imposed by law or assumed by contract for such property. To be insured,

any assets owned by the NAFI or assets for which the NAFI is responsible by lease or contract are properly reported to RIMP. A copy of the lease or contract is sent to RIMP. Assets acquired with APF are not insured under this program.

b. Details of coverages are outlined in the following sections. RIMP will assist NAFIs with other insurance requirements.

c. General exclusions to the RIMP property program are outlined in paragraph 14–26. In addition, exclusions that apply to particular coverages are stated in the applicable section. Where a conflict exists between this regulation and a commercial insurance policy, the commercial insurance policy will take precedence.

d. Buildings constructed or altered with funding from the Army MWR Fund, or any other source of NAFs, including the AAFCWF for civilian NAFIs, are insured for the useful life of the building.

e. Coverage for buildings, improvements and betterments, and aircraft physical damage requires the NAFI to submit an application for coverage to RIMP for approval. Coverage is not effective until the completed applications, DA Form 4316 and 4316–1 (Request for Insurance Coverage—Aircraft), are approved by RIMP. Instructions for completing the forms are in the sections describing these coverages.

f. Except where coverage is mandatory, the NAFI does have the option not to insure its assets; however, NAFIs should follow prudent business practices. Losses not insured become operating losses for the NAFI and may cause loss of income producing revenue or the dissolution of the NAFI.

14–25. Valuation of assets

a. Values of buildings, betterments and improvements, contents, watercraft, vehicles, aircraft, and computers insured under RIMP are reported as full ACVs. Values reported to RIMP at original cost without depreciation factors may result in a higher premium for the NAFI than if depreciation factors were applied.

b. Values reported to RIMP at less than ACV are subject to a pro rata coinsurance penalty at the time of adjustment. For example, if the contents of a building are reported as $50,000 and the value is actually $75,000, any loss is adjusted on the basis of the ratio of insurance to actual value. In this case, two-thirds (66 percent) of any loss would be paid.

14–26. Exclusions

a. Excluded from coverage under the property program are losses caused by:

(1) Nuclear reaction, nuclear radiation, and radioactive contamination, whether controlled or uncontrolled or coming from peaceful sources or weapons of war.

(2) Hostile or warlike action during peace or war, declared or undeclared, whether by—

(a) Attacking or defending forces.

(b) Any authority or any air, naval, or military forces.

(c) Any weapon of war.

(d) Insurrection, rebellion, revolution, civil war, usurped power.

(e) Any action taken by Governmental authorities to hinder, combat, or defend against such occurrences.

(3) Mysterious disappearance (except for money and securities), short delivery, nondelivery, profit shortfall, or inventory shortage, unless reasonably presumed that the loss was caused by stealing.

(4) Authorized destruction, demolition, or disposal.

(5) The misplacing, mislaying, or forgetting of property or money by anyone in charge of it.

(6) The outright neglect of management controls or physical security.

(7) Loss or damage resulting from freezing of plumbing or heating or fire protection systems in vacant or unoccupied buildings; unless, at the time of loss normal utility service including heating is maintained to the building. All prudent and reasonable efforts are made to safeguard the property from hazards that may be increased due to the building's being vacant or unoccupied.

b. Not insured under the RIMP property program are—

(1) Land, growing crops, standing timber and golf course grounds. Separate coverage is available for golf courses upon request to RIMP.

(2) Swimming pools, fences, paved areas such as tennis courts, and other concrete or asphalt areas such as patios.

(3) Underground electrical and air-conditioning conduits, electrical or outdoor lead-in-wiring, radio or television antennas, and satellite disks.

(4) Above or underground gas lines or tanks, sprinkler systems.

(5) Photographs, antique rugs, statuaries, marble, bronzes, antique furniture, rare books, antique silverware, trophies, war prizes and memorabilia, manuscripts, jewelry, furs, antique or unique weapons, wildlife exhibits, or mounted animals or fish.

(6) Accounts receivable, time-element losses (such as business interruption, loss of revenue), and valuable papers. Business interruption is available upon written request to RIMP.

14–27. Property claims

a. Deductible. Claims are not sent to RIMP for losses of $100 or less. The activity which sustains the loss will absorb it as an operating expense.

b. Notification. Notification requirements vary, depending on the type of loss and the estimated dollar value of the loss.

(1) RIMP will be informed within 24 hours, by message or telephone, of any loss under the self-insured programs when the entire loss exceeds $5,000, or of any inflight accident of Army flying or parachute activity. Telephone reports will be confirmed within 48 hours by written notice of loss in memorandum format. Information copy of message reports will be sent to the IMA Region.

(2) Notice of loss of less than $5,000 by mail, will be in memorandum format. The information contained in paragraph c below is required. Routine notices are sent as soon as possible, but no later than 60 days, after a loss. Normally RIMP does not accept claims that are filed more than 60 days after knowing of the loss.

(3) The CJA responsible for processing such claims will be informed if it is likely that tort claims against the NAFI may arise from the same event.

(4) If a third party is involved in a loss, the fund manager may submit a property claim to RIMP without waiting for determination of responsibility. RIMP will settle the claim directly with the NAFI. If restitution is received from a responsible third party, RIMP is entitled to first recovery of any amount reimbursed.

c. Notification format. Claims for losses covered under RIMP are sent to USACFSC (CFSC-FM-I), 4700 King Street, Alexandria, VA 22302–4406 (exempt report, AR 335–15). A memorandum to include the following information is used to inform RIMP of a loss:

(1) Installation or IMA Region.

(2) Name of business activity within IMWRF.

(3) Name of fund manager and DSN or commercial telephone number.

(4) Date, time, and place of loss.

(5) Brief description of what happened.

(6) Estimated loss (in dollars).

d. Proof of loss.

(1) RIMP will acknowledge all claims reported by advising the fund manager of the assigned claim number and which documents are required as Proof of Loss. The documents required for each claim will vary, depending on the type of loss. Examples of documents requested as Proof of Loss may include—

(a) Investigative reports, such as MP reports, CID reports, reports of investigation, fire or traffic accident reports.

(b) Supporting documents to prove the amount of loss, such as repair or replacement estimates, DD Form 1844 (Schedule of Property (AR 27–20 chapter 11)), an audit by a disinterested party, or a statement from the Central Accounting Officer (to confirm the exact amount of money missing).

(c) Information to confirm coverage, such as vehicle serial number, aircraft N number, or building number.

(d) A statement by the fund manager stating whether the loss could have been prevented and what action has been taken to prevent a similar loss in the future.

(2) The completed Proof of Loss will be mailed to the RIMP within 90 days after the date of the loss. The claim will be closed without payment if the documents required as Proof of Loss are not submitted within 90 days. If obtaining the documents is difficult, an extension may be requested in writing before the deadline. The fund manager will sign the Proof of Loss and will send it to RIMP.

e. Claim numbers.

(1) After receiving the notice of loss, RIMP will assign a claim number to it and inform the NAFI fund manager who sustained the loss. All future correspondence about the loss between the NAFI and RIMP will contain this number.

(2) The activity filing a claim will maintain a record of the claim. Records are kept until the claim is processed and a closing notice is received from RIMP. The closing notice will include a payment or a statement that the claim was judged nonpayable.

f. Investigation of losses.

(1) Investigation of property and casualty losses are conducted as prescribed in chapter 13.

(2) For unusual property or casualty losses, RIMP may send a representative to review and recommend how to handle the loss.

g. Adjustment of property losses.

(1) RIMP will adjust claims against the property program.

(2) For loss or damage, each claim is adjusted separately. From the total of claims arising from the same event, $100 is deducted and borne by the NAFI. Deductible amounts for aircraft physical damage are detailed in Section XI.

(3) The basis for adjusting loss is the ACV of the damaged or destroyed property. Losses are paid to the NAFI. In overseas areas the foreign exchange rate in effect at the time of the loss is used to determine the U.S. dollar equivalent.

(4) RIMP may adjust severe or unusual losses by using professional adjustment organizations.

(5) RIMP uses the depreciation guide at table 14–1 to help establish the ACV of property at the time of a loss. RIMP uses a national automobile valuation guide such as the National Automobile Dealers Association (NADA) in the case of a total loss of a vehicle. (This is an example of a valuation guide that may be used and is not intended as an endorsement.)

Table 14–1
Depreciation guide

This depreciation guide has been compiled from information provided by the U.S. Army Claims Service, Fort Meade, MD, and is the primary reference used by the ACIF in adjusting claims. Because other factors may affect the actual depreciation rate in specific cases, it should be used only for general information. Fund managers may also use these depreciation factors when valuing NAF assets for insurance purposes.

		Percent of depreciation			
No.	Item	Per year	Flat rate	Maximum	Remarks
1	Air conditioners				See No. 10, electrical and gas appliances
2	Automobile tires	30		75	Compute depreciation based on miles used/30,000 miles or miles used/milage guarantee ratio if known; otherwise use 30 percent per year.
3	Boats and motors (Including out-board motors)	Varies			Use local boat retail values.
4	Boating equipment and supplies (exclusive of motors)	20		75	
5	Bric-a-brac (all types)		10		Includes inexpensive figurines, sculptures, and ornamental or sentimental items, as distinguished from expensive objects of art.
6	Camping equipment and supplies (including tents, sleeping bags, backpacks, shovels, and other tools, lanterns, etc).	10		75	Camping cutlery is included. Camping clothing is not included.
7	Computers	20		75	
	Peripherals, Software, and accessories	10		75	
8	Crockery (dishes, pottery, and glassware)		10		Do not include fine china, crystal, or expensive cut glass.
	Plasticware	10		75	
9	Drapes	10		75	
	Curtain rods, Venetian blinds	5		75	
10	Electrical and gas appliances				See item 23 for stereo systems and tape recorders. See item 29 for video recorders.
	–Minor—$200 or less	10			
	–Major—over $200, except as listed below.	5		75	
	–Televisions, washers, dryers, hot tubs, electronic games, pinball machines, dishwashers, spas.	10		75	Depreciate televisions picture tubes 10 percent per year for the first 3 years and 5 percent per year thereafter, up to a maximum of 75 percent.
11		5		50	Take no depreciation on antique furniture or expensive, solid wood furniture such as cherry, walnut, teak, rosewood, oak, etc., except for replacement of fabric. Do not confuse solid wood with finishes, stains, veneers, etc. Kitchen table and chair sets are considered one item. Consider each wall unit as one item.
	Infant, lawn, and patio furniture.	10		75	Includes cribs, childrens beds, etc.
12	Game equipment		25		Includes poker chips, chess, backgammon, and similar sets, as distinguished from children's toys and games.

Table 14–1
Depreciation guide—Continued

This depreciation guide has been compiled from information provided by the U.S. Army Claims Service, Fort Meade, MD, and is the primary reference used by the ACIF in adjusting claims. Because other factors may affect the actual depreciation rate in specific cases, it should be used only for general information. Fund managers may also use these depreciation factors when valuing NAF assets for insurance purposes.

		Percent of depreciation			
No.	Item	Per year	Flat rate	Maximum	Remarks
13	Garden equipment (all implements needed for lawns and yards including lawn mowers).	10		75	See item 11 for lawn furniture.
14	Kitchen utensils				All long-lasting kitchen tools should be considered in the 5 percent/50 percent category. Items such as potato peelers, cooling racks, ice picks, bowl scrapers, or other items described in advertisements as “kitchen gadgets”should be considered in the 20 percent/75 percent category.
	–Heavy aluminum, copper, corningware, cast iron, stainless steel, etc.	5		50	
	–Other items	20			
15	Lamps (including sunlamps)				The higher rate applies when lamp shades are claimed separately.
	–Lamps	5		75	However, if shades are made of glass of any type, apply the 5 percent depreciation.
16	Musical instruments				Also includes amplifiers and accessories.
	–Pianos, organs, player pianos	5		75	
	–Other musical instruments under $100	20		75	
	–Other musical instruments $100–$250	10		75	
	–Other musical instruments over $250	5		75	
17	Office furnishings	10		75	Includes calculators, radios, paintings, plants, etc.
18	Painting and pictures (including photographic portraits, etchings, hand reproduced pictures, lithographic prints, etc.)	10			Take no depreciation on paintings valued in excess of $750.
19	Phonograph records	10		50	See item 24 for tapes.
20	Photographic equipment (cameras, screens, lenses, projectors, etc.)				See item 29 for video cameras and accessories.
	–Inexpensive, $100 or less	10		75	
	–Expensive, over $100	5		75	
21	Rugs				
	–Under $500	10		75	
	–$500–$999	5		50	
	–$1,000 or more	2		25	
22	Sports equipment and supplies (including uniforms and riding togs as well as basketball, baseball, football, croquet, bowling, badminton, volleyball, skiing, tennis, scuba, golf, and other equipment).	10		75	Take no depreciation on unopened or unused boxes of golf balls or canisters of tennis balls. See item 6 for camping equipment.
23	Stereo items and accessories	5		75	Includes styli, dust covers, tape recorders, speakers, amplifiers, turntables, etc. See item 24 for tapes and item 29 for video recorders.

Table 14–1
Depreciation guide—Continued

This depreciation guide has been compiled from information provided by the U.S. Army Claims Service, Fort Meade, MD, and is the primary reference used by the ACIF in adjusting claims. Because other factors may affect the actual depreciation rate in specific cases, it should be used only for general information. Fund managers may also use these depreciation factors when valuing NAF assets for insurance purposes.

No.	Item	Percent of depreciation			Remarks
		Per year	Flat rate	Maximum	
24	Tapes, blank or commercially recorded				
	–Audio	10		75	
	–Video	10		50	
25	Television sets				See item 10 for electrical and gas appliances.
26	Telephones and telephone answering equipment	10		75	
27	Tools, tool chests, and tool boxes not stored in a vehicle				
	–Manual tools	5		50	
	–Power tools	10		75	
	–Tool chests	5		75	
28	Typewriters	5		75	
29	Video recorders, video cameras and accessory equipment	5		75	See item 24 for video tapes.

(6) If reimbursement is made by a third party (employee, authorized user, or commercial insurance carrier) on a loss that was paid by RIMP, RIMP is entitled to first recovery of any amount reimbursed.

Section VII
Property Insurance—Buildings and Contents

14–28. Coverage

This program provides coverage for buildings, improvements and betterments to buildings, and contents that are purchased with NAF. Coverage is provided against all risks of physical loss or damage from any external source, subject to exclusions stated in paragraphs 14–26 and 14–36. Buildings, improvements and betterments, and contents are insured at ACV. All requests for insurance for buildings and improvements and betterments are submitted to RIMP on DA Form 4316. (Guidance for valuing buildings and contents is in paras 14–32 and 14–34 below.) Replacement cost insurance is not available.

14–29. Building requirements

a. Buildings consist of the foundations, walls, ceilings, roof, floors, and built-in or attached equipment which is a permanent part of the building, such as the following:

(1) Utility connections.
(2) Furniture, cabinets, and shelving.
(3) Venetian blinds, shades, window screens, and screen doors.
(4) Elevators and escalators.
(5) Drinking water coolers.
(6) Telephone, fire, alarm, and intercom systems.
(7) Protective construction features, such as awnings.
(8) Theater seats, church pews, and pulpit.
(9) Heating, ventilating, and air-conditioning installations (but not portable or window units).
(10) Food preparation and serving equipment.
(11) Electrical generators and incinerators.
(12) Dishwashers, hoods, and vents.
(13) Refrigerators and freezers.
(14) Bowling lanes, including seating and pinsetting equipment.
(15) Awnings or canopies.

(16) Stained glass windows.

b. Permanent structures such as stand-alone storage sheds and picnic pavilions are considered buildings. To insure this type of structure, an application (DA Form 4316–R) is submitted for approved by RIMP.

c. Mobile homes fixed in place and not self-propelled may be insured under this program as buildings.

d. Exterior and neon signs, large billboards, awnings, and canopies normally considered parts of a building are not covered unless the building is insured. To insure signs without insuring the building, DA Form 4316–R will be completed to include a description and value of the property.

e. Property insured under this program is covered while being carried in NAFI owned or leased vehicles.

14–30. Buildings insured

a. NAFIs directed by the Commander, USACFSC, or the BOD, AAFCWF, will insure buildings as stated in paragraph 14–28, above.

b. Buildings constructed or altered with AMWRF funds will be insured for the useful life of the building.

c. The buildings listed below, constructed or modified with locally generated NAFs or donations may be insured at the option of the fund manager. Buildings leased to a NAFI, where the leasing agreement requires the NAFI to provide insurance, may also be covered under this program.

(1) Those built entirely with NAFs,

(2) Those built with other than NAFs or improved or altered with NAFs which exceed 50 percent of the ACV, or

(3) Those in which the value of improvements and betterments is paid from NAFs.

d. When international agreements require that NAFIs insure used non-owned buildings in foreign nations, the Director, Financial Management, USACFSC, will authorize such insurance.

14–31. Application for insurance—buildings, improvements, and betterments

a. Insurance for buildings, or improvements and betterments to buildings will not go into effect until—

(1) The fund manager of the NAFI completes DA Form 4316–R. The improvements and betterments will be described in the remarks section of the form.

(2) RIMP confirms that the insurance is in force.

b. To increase or decrease the amount of insurance on a building, the fund manager must submit a new application.

c. The amount of insurance is the ACV of the building. As part of the annual Review of Insured Exposures, the fund manager receives a copy of DA Form 4316 showing the data currently recorded for each insure building. RIMP provides a formula for establishing the ACV of each building on the DA Form 4316, based on updated building costs per square foot and local area cost factors. The fund manager may accept the ACV as computed or may request a different ACV with supporting justification.

d. Improvements and betterments are insured at full ACV.

14–32. Building valuations

a. AR 415–17 lists the costs to build new types of buildings. RIMP uses these costs to value buildings insured under the RIMP. Fund managers insure buildings for ACV.

b. ACV is computed by subtracting the known depreciation from the replacement cost.

c. RIMP may also help to estimate the ACV of buildings. First, find the replacement cost. The building costs per square foot (permanent construction) as of 1994 are shown in table 14–2.

Table 14–2
Building costs

Facility: Bowling Alley **Cost:** $145.00 (plus $45,000 for each lane, including automatic equipment)
Facility: Officers Club **Cost:** $150.00
Facility: NCO Club **Cost:** $135.00
Facility: Guest House **Cost:** $120.00
Facility: Autocraft Center **Cost:** $115.00
Facility: Youth Center **Cost:** $115.00

Table 14–2
Building costs—Continued

Facility: Marina **Cost:** $100.00

Notes:
These costs are increasing about 10 percent per year (AR 415–17). For semipermanent construction, use 90 percent of the above values, and for temporary construction, use 60 percent. The area of the building in square feet will show a replacement cost figure. A brick NCO club of 10,000 square feet has a replacement cost of $1,350,000.

d. To apply to decreased value, RIMP uses straight line depreciation based on the useful life for construction as shown in table 14–3.

Table 14–3
Straight line depreciation

Construction: Frame **Depreciation:** 30 years
Construction: Masonry **Depreciation:** 45 years
Construction: Fire-resistive (concrete) **Depreciation:** 60 years

Notes:
A 10-year old brick NCO club with a replacement cost of $1,350,000 would have an ACV of $1,050,300 (10/45=.222 depreciation) (1.000 – .222=.778 ACV) (($1,350,000 x .778= $1,050,300). It does not matter that the actual construction cost 10 years ago may have been $350,000. These depreciation rates have no connection with depreciation schedules required by DOD 7000.14–R, volume 13.

e. NAF funded buildings are insured for the full ACV of the building and not for the amount of initial construction cost. If insured for an amount less than the ACV, any loss is adjusted based on the ratio of actual insurance to actual value. If a building worth $500,000 (ACV) is insured for a lower amount (say $300,000), any loss is settled based on three-fifths of the loss (insurance carried divided by ACV). A $100,000 loss is settled for $60,000. The full amount of insurance is paid only for a total loss.

f. The building costs per square foot above apply only to buildings in the United States. NAFIs overseas will consult the Army Corps of Engineers or other sources to determine local construction rates and any other factors that would affect the cost per square foot of construction.

14–33. Contents insured

The property program insures NAFI-owned or leased—

a. Contents of buildings (such as furniture, fixtures, and carpets) used during occupancy.

b. Stock used for resale activities (such as food, beverages, books, and audio equipment).

c. Property while being carried in NAFI-owned or leased vehicles.

d. Valuable items such as silver services, paintings, or fine arts. Valuable items that are not excluded under paragraph 14–26 may be insured with the RIMP. If the value of the item exceeds $5,000, a description of the item and a current appraisal are required.

14–34. Contents valuation

a. Contents are insured for ACV. To determine value of property under this section, find its replacement cost and deduct for depreciation. This equals ACV. Also use the depreciation guide at table 14–1.

b. NAFIs may use a straight-line depreciation schedule, normally 10 percent per year. If these book values are reported to RIMP, contents will probably be under-insured. NAFIs should get the replacement costs for their property, apply depreciation factors as they would be used in the event of a loss (para 14–27*g*), and report ACVs to RIMP for insurance coverage.

c. Inventory held for resale is valued at the wholesale price paid by the NAFI and not the expected resale price.

d. In the event of a loss, the fund manager is required to provide the date of original purchase, acquisition cost, and replacement cost for items destroyed or damaged. RIMP may elect to replace the damaged or destroyed property. If damaged property is sold for salvage, the salvage income is used to reduce the loss.

14–35. Perils insured

This program insures NAF buildings, improvements and betterments, and contents against all risks of direct physical loss or damage from any external cause subject to exclusions stated below.

14–36. Perils excluded

a. This program does not insure against loss or damage caused by or resulting from:

(1) Infidelity or dishonesty of an officer or employee of the NAFI or loss or damage resulting from the NAFI voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device, or false pretense; any unexplained loss, mysterious disappearance, or loss or shortage disclosed on taking inventory;

(2) Errors or defects in design or specification, errors in processing or manufacture, faulty workmanship, or faulty materials, unless loss by a peril not excluded in this program ensues, and then RIMP is liable for only such ensuing loss.

(3) Explosion, rupture, bursting, cracking, burning, or bulging of steam boilers, steam turbines, steam engines, gas turbines, pressure vessels, or piping, or apparatus attached to and forming a part thereof, owned, operated, or controlled by the NAFI, except explosion of accumulated gases or unconsumed fuel within the firebox (or the combustion chamber) of any fired vessel, other than gas turbines, or within the flues or passages which conduct the gases of combustion therefrom;

(4) Electrical arcing, injury, or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical equipment;

(5) Mechanical breakdown; malfunction; rupture or bursting caused by centrifugal force, to property owned, operated, or controlled by the NAFI; however, liability is specifically assumed for any ensuing fire, and RIMP is liable for only such ensuing loss.

(6) Damage sustained to goods while they are actually being worked on and which results directly from such work. However, any damage to goods which ensues from any peril insured is covered by this program;

(7) Delay, loss of market, gradual deterioration, inherent vice, insects, vermin, ordinary wear and tear, latent defect;

(8) Contamination, dampness of atmosphere, extremes or changes of temperature, smog, shrinkage, evaporation, loss of weight, rust, corrosion, wet or dry rot, change in flavor or color or texture or finish, unless such loss or damage is caused directly by perils not otherwise excluded;

(9) Settling, bulging, cracking, shrinking, or expansion of foundations, walls, roofs, floors, or ceilings;

(10) Loss or damage resulting from freezing of plumbing or heating or fire protection systems in vacant or unoccupied buildings; unless at the time of loss, normal utility service including heating is maintained.

(11) Exposure to rain, sleet, snow, wind driven sand, or dust to personal property situated in the open;

(12) Direct or indirect enforcement of any ordinance, law, regulation or order pertaining to the manufacture, packaging, labeling, or distribution of goods, wares, merchandise, or other products by the NAFI;

(13) Loss caused by theft from an unattended vehicle unless all openings into the vehicle are closed and locked, entry is by force, and there are visible marks of forced entry on the outside of the vehicle.

(14) Asbestos material removal unless the asbestos is itself damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, or leakage or accidental discharge from automatic fire protective systems. Further excluded are:

(a) Demolition or increased cost of reconstruction, repair, debris removal, or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material.

(b) Any Governmental direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

(15) Pollution exclusion, against loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape, or dispersal of contaminants or pollutants, all whether direct or indirect, proximate or remote, or in whole or in part caused by, contributed to, or aggravated by any physical damage insured by this policy.

(16) Losses excluded by paragraph 14–26.

b. In the event of a conflict between this regulation and the commercial insurance policies, the conditions of the commercial insurance policies will take precedence.

14–37. Claims

Losses are reported as required in paragraph 14–27.

14–38. Limits of liability

a. For buildings and betterments and improvements, RIMP is not liable for more than the amount of insurance approved on DA Form 4316–R.

b. For contents, RIMP will pay the ACV of the asset at the time of the loss or the amount listed by the NAFI on the Review of Insured Exposures, whichever is less.

Section VII
Property Insurance—Other Exposures

14–39. Docks, wharves, and piers

a. Eligibility for insurance. Docks, floating docks, wharves, and piers may be insured under this section.

b. Coverage. Coverage for docks, floating docks, wharves, and piers insures against all risks of physical loss or damage from any external cause subject to the exclusions outlined below, the exclusions in paragraph 14–36, and the general exclusions in paragraph 14–26.

c. Exclusions. Excluded from coverage for docks, floating docks, wharves, and piers are losses caused by:

(1) Freezing or thawing.

(2) Impact of watercraft.

(3) Pressure or weight of ice or water whether driven by wind or not.

(4) Losses excluded by paragraphs 14–26*a* and 14–36, and property limitations outlined in paragraph 14–26*b*.

d. Valuation. Valuation of docks, floating docks, wharves, and piers is the original cost. Requests for insurance for docks, floating docks, wharves, and piers must be submitted on DA Form 4316 and approved by the RIMP.

14–40. Watercraft

a. Coverage. This program insures recreational watercraft (including inboard and outboard motors, sailing craft whether auxiliary powered or not, row boats, and canoes) against all risks of physical loss or damage from any external cause except as stated below.

b. Exclusions. Excluded from coverage are losses caused by:

(1) Operating the insured watercraft in any official or unofficial race or speed test.

(2) Transporting over land. However, watercraft under 23 feet long are covered for road transport within 250 miles of the watercraft's usual berth.

(3) Ice or freezing.

(4) Failure of the NAFI to maintain the watercraft in a seaworthy condition.

(5) Losses excluded by paragraphs 14-26 and 14-36.

c. Valuation. Watercraft must be insured for ACV or market value of the watercraft. Watercraft and boat motors are separately identified on the Review of Insured Exposures, including the make, model, and serial number of the watercraft or motor. Watercraft accessories such as life jackets and other equipment are included in general contents values.

14–41. Recreational animals

This program insures animals of recreational activities against all risks of physical loss or damage from any external cause, subject to the exclusions outlined in paragraphs 14–26 and 14–36. Each animal cannot be insured for more than $1,000. Description or name of the animal and value are listed on the Review of Insured Exposures.

14–42. Other insurance

a. RIMP is also able to assist NAFIs with other specialized coverages such as weather insurance for special events and coverage for special prizes such as bingo jackpots or hole-in-one prizes. A separate policy to cover golf courses is also available through RIMP. A separate request is required to obtain these coverages.

b. RIMP will assist NAFIs with other coverage needs upon request.

Section IX
Insurance for Information Systems

14–43. Property covered

a. Property covered by insurance covers the following:

(1) Electronic equipment and component parts, including data processing systems and similar property of others in the care, custody, and control of the NAFI for which the NAFI is responsible.

(2) Electronic media, including converted data owned by the NAFI and similar property of others in the care, custody, and control of the NAFI for which the NAFI is responsible. Electronic media means all forms of data including computer instructions and programs converted to a form usable in computer operations. This includes the materials on which the data is recorded.

b. Reporting requirements include the following:

(1) Computer values must be reported to RIMP to be insured. Newly acquired computer hardware and software

must be reported to RIMP within 30 days. The fund manager must provide the item description, serial number, ACV, and building location for each piece of hardware and software to be insured.

(2) When reporting coverage on the Review of Insured Exposures, report separately computer hardware and software and show the total insured value for each building location. Attach a separate sheet itemizing hardware and software by building location.

d. Coverage will apply at locations listed on the Review of Insured Exposures and temporarily at other locations.

e. RIMP will cover duplicate and backup electronic media for up to $50,000 at any one backup location. This coverage applies only to a separate storage location at least 100 feet from a location listed on the Review of Insured Exposures.

14–44. Property excluded

The following property is excluded:

a. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents, except when such property is converted to data form and then only in that form.

b. Data or media which cannot be replaced with others of the same kind and quality, except when such property is listed for coverage on the Review of Insured Exposures and is specifically described.

c. Property loaned, leased, or rented to others while away from NAFI premises.

14–45. Perils insured

Risks of direct physical loss to covered property subject to the exclusions stated in paragraph 14–46 below and paragraphs 14–26 and 14–36.

14–46. Perils excluded

This program does not insure against loss caused by or resulting from:

a. Delay, loss of use, loss of market, or any other consequential loss.

b. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; or insects, vermin, or rodents.

c. Dishonest, fraudulent, or criminal acts by employees whether acting alone or in collusion with other persons.

d. Any covered cause of loss for which the NAFI is not responsible under the terms of any lease or rental agreement.

e. Corrosion, rust, dampness, or dryness, cold or heat.

f. Interruption of electrical power supply, power surge, blackout, or brownout if the cause of such occurrence took place more than 1,000 feet from the premises.

g. Electrical or magnetic injury, disturbance, or erasure of electronic recordings, if the cause of such occurrence took place more than 1,000 feet from the premises.

h. Release, discharge, or dispersal of pollutants.

i. Seizure or destruction of property by order of governmental authority, except acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

j. Nuclear hazard:

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any cause. But direct “loss” caused by resulting fire is payable if the fire would be covered under this program.

k. War and military action:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any Government, sovereign, or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by Governmental authority in hindering or defending against any of these.

14–47. Limit of liability

a. Coverage applies for up to but not more than the amounts reported to RIMP for coverage.

b. RIMP will pay up to the ACV at the time of the loss of the damaged property, but no more than the cost of repairing or replacing the property with material of the same quality. In the event of loss, the value of property is determined as of the time of loss.

c. For electronic media, the value is the actual cost of reproducing the data and the cost of the media, as reported to RIMP, but no more than the insured value.

d. When the data is not reproduced, RIMP pays no more than the cost of blank discs, films, tapes, or similar electronic data processing media, of the same kind and quality.

14–48. Deductible

Each claim for loss or damage is adjusted separately and from the amount of each claim, the sum of $100 is deducted.

Section X
Property Program—Vehicles

14–49. Types of vehicles

This program covers all vehicles licensed for use on public roads, to include: automobiles, trucks, tractors, and mobile homes; trailers designed and intended for use with such vehicles; motorcycles, motor scooters, and mopeds; and unlicensed vehicles used in MWR programs, such as golf carts, self-propelled lawn mowers, forklifts, and snowmobiles. It also covers motor vehicles obtained from Defense Reutilization and Marketing Office (DRMO).

14–50. Vehicles insured

a. Insurance provided by this program covers—

(1) Motor vehicles owned by a NAFI.

(2) Vehicles leased to a NAFI where the lease agreement requires the NAFI to insure against physical damage. A copy of the lease agreement or contract must be sent to RIMP for review.

b. Registration of a vehicle with RIMP as described in chapter 7 does not automatically provide physical damage insurance. The fund manager must request physical damage insurance and state the amount of coverage required.

c. Each vehicle requiring insurance is listed separately on the Review of Insured Exposures as explained in paragraph 14–6. Each entry must include the make, model, and VIN.

14–51. Limits of liability

a. Each vehicle is insured at ACV. Claims are settled on the basis of ACV or the current value listed in a national automobile valuation guide.

b. Liability is limited to the ACV declared on the Review of Insured Exposures or the national automobile valuation guide, whichever is less.

c. Because of the $100 deductible, fund managers should consider the usefulness of insuring motor vehicles valued at $200 or less.

14–52. Perils insured

Insurance provided by this program covers:

a. Collision of the insured vehicle with another object.

b. Upset of the vehicle.

c. Comprehensive loss or damage, to include—

(1) Breakage of glass.

(2) Losses caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, vandalism and malicious mischief, riot, and civil commotion.

(3) Collision with a bird or animal.

14–53. Perils excluded

In addition to the general exclusions listed in paragraph 14–26, this program does not insure against—

a. Damage due to and confined to wear and tear, freezing, or mechanical or electrical breakdown or failure. Damage that is the result of other loss covered under this program is not excluded.

b. Loss of personal effects or clothing.

c. Loss to tires unless by fire or theft, or loss or damage at the same time and from the same cause as other loss covered under this program.

d. Loss or damage to any—

(1) Device or instrument designed to record or reproduce sound, unless permanently installed, including mobile phones.

(2) Tape, wire, record, disk, or other medium used with a sound recording or reproduction device or instrument.

Section XI
Property—Aircraft Hull

14–54. Types of aircraft covered

This program covers all aircraft owned or leased by Army flying activities. It does not include Government-owned aircraft or aircraft owned, rented, or leased by private organizations authorized to operate on installations under provisions of DOD 1000.15.

14–55. Requirements

a. Aircraft purchased in whole or in part using a bank loan or other financing must be insured under this program until the loan or financing is paid in full.

b. Aircraft that are owned outright may be insured at the option of the fund manager. Considering the value of aircraft and the potential impact on the fund in the event of a loss, participation in the program is encouraged.

c. RIMP may insure leased aircraft when insurance is not provided by the lessor. Leases providing for insurance are structured to identify the portion of lease costs attributable to insurance.

14–56. Application

a. In addition to listing aircraft on the Review of Insured Exposures, fund managers must complete DA Form 4316–1–R for each aircraft to be insured.

b. A separate application is submitted for each aircraft.

c. Aircraft are insured by commercial insurance obtained by RIMP.

14–57. Valuation

a. Aircraft must be insured at ACV.

b. Present value is determined from generally accepted used aircraft price guides, such as the Aircraft Bluebook Price Digest. (This is an example of a valuation guide that may be used and is not intended as an endorsement.) Prices are adjusted as necessary to reflect the value of new or additional equipment installed in the aircraft.

c. The adjusted value is shown on DA Form 4316–1 in block 13.

d. Losses to aircraft are adjusted based on ACV. Appraisals and price guides may be used in determining the extent of liability.

14–58. Perils insured

This program insures against all risks of loss, damage, or destruction except as specifically excluded.

14–59. Perils excluded

In addition to the general exclusions listed in paragraph 14–26, this program does not insure against:

a. Damage due to and confined to wear and tear.

b. Damage caused by freezing.

c. Damage caused by mechanical or electrical breakdown or failure except as otherwise covered.

d. Inflight losses attributable to:

(1) Violations of airworthiness or pilot certificates.

(2) Use of an aircraft for racing, hunting, or any flying that requires a Federal Aviation Administration (FAA) waiver.

(3) Knowingly operating an aircraft in violation of Federal Aviation Regulations or applicable Army regulations.

14–60. Property excluded

Coverage does not extend to:

a. Property being transported within an aircraft.

b. Flight information publications, such as maps and charts.

c. Portable navigation equipment.

d. Spare parts not installed on the airframe.

e. Tires, unless loss or damage is caused by theft, vandalism or malicious mischief, or other covered risk.

f. Aircraft valued at more than $250,000.

g. Any turbo-prop or turbo-jet aircraft.

h. Rotary wing or water alighting.

i. Any aircraft with seating for more than seven passengers.

14–61. Claims procedures

a. Claims procedures explained in paragraph 14–27 apply for all claims involving aircraft.

b. In addition to RIMP procedures in paragraph 14–27, requirements outlined in the Aviation Insurance Program Manual distributed to all IMWRFs are followed.

c. Calls to RIMP or the insurer to report a loss are followed up in writing as stated in paragraph 14–27.

d. If the loss results in bodily injury or damage to the property of others, RIMP and the commercial insurer are advised at the time the accident is reported. Resulting claims are investigated and adjusted by the commercial insurer. The local CJA is notified of the incident and of claims filed. The claims officer will offer assistance to the insurer as needed.

e. In the event of conflict between the commercial aircraft policy and regulatory guidance, the terms of the commercial policy takes precedence.

14–62. Deductible

a. When aircraft are lost or damaged all claims coming from the same event are adjusted separately. From the total of all the adjusted claims coming from the same event, $500 is deducted.

b. No deductible applies to loss caused by:

(1) Fire, explosion, lightning, theft, robbery, vandalism;

(2) Accidental damage to aircraft being transported after being dismantled.

Section XII
Property Program Fidelity Bonds

14–63. Applicable protection

Fidelity bonding protects NAF activities against losses of money or property caused by fraud, theft, embezzlement, larceny, or dishonesty by an employee. The amount of bond for each employee depends on the classification of the position.

14–64. Requirements

All employees must be bonded. Individual employees are not bonded as such. All employment positions, however, are bonded in the amounts described below.

14–65. Coverage

a. Class 1 positions are bonded for $20,000 and include—

(1) Fund managers, including permanently assigned military personnel and APF civilians.

(2) Area, installation, and branch club managers.

(3) All executive, administrative, and supervisory officials, department heads, and others who handle, receipt for, or have custody of money, checks, or securities, or are accountable for supplies or other property as a part of their assigned duties.

(4) Any person who has authority to approve or appropriate expenditures; approve, certify, or countersign checks or other disbursements; maintain or audit cash, checks, securities, time records, supplies, or other property; or take physical inventories.

b. Class 2 positions are bonded for $5,000 and include all positions other than those listed in paragraph 14–65*a*, above, that are not responsible for money or property.

14–66. Limits of liability

a. Liability is limited to the amount of the bond in effect for each position.

b. Excess coverage, to a maximum of $180,000, may be obtained for Class I positions. Applications are prepared in memorandum format and sent to USACFSC (CFSC-FM-I), 4700 King Street, Alexandria, Virginia 22302–4406.

14–67. Perils excluded

In addition to the general exclusions listed in paragraph 14–26, fidelity bonds do not cover—

a. Losses caused by any employee if the fund manager was made aware of any previous fraudulent or criminal act committed by the same employee prior to the loss.

b. Losses proved only by an inventory or profit loss computation and cashier shortages. Losses proved by evidence, wholly apart from inventory or profit and loss computations, and which result from fraudulent or dishonest acts of any employee are not excluded.

14–68. Claims procedures

Claims procedures explained in paragraph 14–27 apply to all claims involving fidelity bonds. Notifications to the RIMP also will include—

a. The title of the bonded position.

b. The classification of the person assigned to the position.

c. Proof that a loss occurred only through the acts of an employees; however, it is not necessary to name the employees who commits the larceny to recover under RIMP.

Section XIII
Property Program—Money and Securities Insurance

14–69. Money, securities, and collateral damage

The property program covers money and securities and collateral damage to buildings or facilities resulting from any actual or attempted burglary, robbery, or theft.

14–70. Coverage

This program covers any loss of money or securities—

a. By actual destruction, disappearance, or wrongful taking within the NAFI premises, any banking premises, or safe deposit place.

b. Or loss of other property by safe burglary, robbery, or theft (or attempt).

c. Or loss of a locked cash drawer, cash box, or cash register by wrongful opening of the container or stealing the container from the premises (or attempt).

d. Or loss or damage to the premises by safe burglary, robbery, or theft (or attempt).

(1) By the actual destruction, disappearance, or theft while a messenger or any armored motor vehicle company transports property. A messenger is any employee authorized custody of money or securities outside the premises.

(2) Or loss of other property by robbery (or attempt) while a messenger or armored motor vehicle company transports it.

(3) Due to accepting counterfeit paper currency in good faith, in the regular course of business,.

14–71. Limits of liability

a. Liability for money and securities claims is limited to $50,000 per single loss.

b. In addition to the standard $50,000 coverage, excess coverage to a maximum of an additional $50,000 per single loss may be requested by memorandum to RIMP (CFSC-FM-I). The maximum payable for any one loss is $100,000.

14–72. Perils excluded

In addition to the general exclusion listed in paragraph 14–26, this program does not cover:

a. Losses caused by any fraudulent, criminal, or dishonest act by any employee.

b. The giving or yielding of money or securities for any fraudulent exchange or purchase of goods or services.

c. Accounting or mathematical errors or omissions.

d. Loss of manuscripts, account books, or records.

e. Cash contained in coin-operated amusement or vending machines unless recorded by a continuous recording instrument within the machine.

f. Losses caused by fire, whether or not caused by, contributed to, or arising from an insured hazard, except money and securities stored in a safe or vault.

g. Loss of misplaced bags of cash.

h. Losses caused by forgery.

Section XIV
Cargo Shipment Program

14–73. Coverage

The RIMP cargo program insures shipments of NAF cargo, including transshipments, anywhere in the world and by any route.

14–74. Requirements

a. Cargo insurance is provided through a commercial master open cargo policy obtained by RIMP.

b. Cargo insurance is required if:

(1) The annual value of cargo shipped is $200,000 or more.

(2) The value of any single shipment is $100,000 or more.

c. Claims are subject to a $100 deductible. Higher deductibles are available on request.

d. The limit of liability is $2,500,000 for any one conveyance or for any one place and time. Higher limits must be requested by message or telephone but RIMP must confirm prior to shipment.

e. Where a conflict exists between provisions of this regulation and provisions of the master open cargo policy, the terms of the commercial insurance policy govern.

14–75. Perils insured

All goods shipped under this program are insured against all risks of physical loss or damage from any external cause, despite percentage of loss, except as specifically excluded. Coverage extends to cargos that are—

a. Loaded on vessels, except sailing vessels of any kind.

b. On docks, wharves, or elsewhere on shore.

c. Being transported by overland common carriers, including rail and motor freight lines.

d. Being transported on aircraft.

e. In the custody of the Military Airlift Command or Military Sealift Command.

f. Shipped through the mail or by parcel post.

14–76. Perils excluded

In addition to the general exclusions listed in paragraph 14–26, coverage excludes losses caused by:

a. The absence, shortage, or withholding of power, fuel, or labor unrest, riot, or civil commotion.

b. Changes in temperature or humidity caused by any strike, riot, or civil commotion.

c. Inherent vice.

d. Delay or loss of market.

14–77. Application procedures

Application for cargo insurance is a two-step process, completed as follows:

a. Application to RIMP. NAFIs that are required or elect to participate in the cargo program must submit an initial application for RIMP approval. Application, in memorandum format, is sent to RIMP (CFSC-FM-I), 4700 King Street, Alexandria, Virginia 22302–4406, and must include the following information (exempt report, AR 335–15):

(1) Name and address of the NAFI submitting the application.

(2) Standard NAF number (SNN) (app F).

(3) Nature of goods to be shipped.

(4) Itinerary, to include—

(a) Port of embarkation.

(b) Port of debarkation.

(c) Transshipment points and methods (motor freight, rail, or air).

(d) Final destination.

(5) Average value of a single shipment.

(6) Anticipated number of shipments per year.

(7) Packaging methods.

(8) Type of on board storage (on deck or in cargo hold) for ocean shipments.

(9) Deductible desired per shipment (such as $100, $500, or $1,000).

(10) Desired effective date.

(11) Losses claimed in the last 3 calendar years (in dollars).

b. Reports to the commercial insurance carrier.

(1) After confirmation of the initial application by RIMP, insured NAFs report the value of all cargo shipments on the Declaration of Insurance form to the commercial insurance carrier on a monthly basis (for exempt reports, see AR 335–15). Declaration forms are obtained from RIMP or American Phoenix, at the address below.

(2) The value of all shipments made each month must be reported within the first 10 calendar days of the following month to Hilb, Rogal and Hamilton, Suite 400, 303 International Circle, Hunt Valley, MD 21030. Negative reports are not required.

(3) Shipments are valued at the total amount of the invoice, normally the cost of goods and freight, plus 10 percent. Where higher values are declared, the insured value is the value of the shipment. The value of shipments paid in foreign currency is converted to U.S. dollars based on the rate of exchange in New York City on the date of the invoice.

14–78. Claims procedures

a. Actions at the point of delivery.

(1) Note and describe the condition of the shipment on the delivery documents and obtain the driver's or shipping agent's signature confirming the count or exceptions.

(2) Obtain copies of all relevant delivery documents, such as bills of lading, freight bills, invoices, and packing lists.

(3) Preserve and protect the shipment in its original containers until inspected or surveyed by the insurance carrier's agent.

(4) Coordinate with RIMP to obtain the services of an insurance surveyor. A surveyor's functions are similar to

those of a property and casualty adjuster and include determining the cause and extent of loss, arranging salvage, and recommending a settlement amount.

b. Claim against the carrier or vendor. Written claims will be filed against the carrier or vendor, as appropriate, as prescribed by the carrier or vendor, or using the sample format in figure 14–1.

c. Notice of loss.

(1) A notice of loss will be submitted within 60 days to the commercial insurance carrier at the address provided in paragraph 14–77*b*(2), above. Letter format notification will include the following information:

(a) Name and mailing address of the claiming NAFI.

(b) Name and commercial telephone number of the fund manager.

(c) Contract number on the Declaration of Insurance provided to American Phoenix.

(d) Month in which the shipment was reported for coverage.

(e) Description of goods lost or damaged.

(f) Date loss or damage was discovered.

(g) Brief statement of how damage was discovered.

(h) Description of damage and estimated value of goods lost.

(2) A copy of the claim against the carrier or vendor will be included.

d. Proof of loss. Proof of loss is normally established in one of the following ways:

(1) *Claims under $3,000.* The following documents are provided in the Proof of Loss:

(a) The complete shipper's invoice, including packing specifications, if available.

(b) Ocean or airway bills of lading, freight bills, and delivery receipts or records.

(c) Carrier's or vendor's responses to initial claim.

(d) Repair estimates or invoices for replacement goods.

(e) Photographs of damaged goods, if available.

(f) Copy of carrier's written proof of short or missing shipments.

(2) *Claims over $3,000.* The written report of the insurance surveyor described in subparagraph (4), this paragraph, will be accepted as proof of loss. The surveyor's fees will be sent with the surveyor's report.

e. Concealed damages.

(1) Claims for concealed damages, or damages that are not detected until after a shipment is accepted, will follow the same claims procedure prescribed for other types of damage.

(2) Claims against the carrier or vendor are reported within 3 days after the shipment arrives at final destination.

Section XV
Workers' Compensation

14–79. Recipients

Workers' compensation provides benefits to NAF employees who are disabled because of job-related illness or injury, or to surviving spouse and dependents in cases of death resulting from job-related causes.

14–80. Authority

Workers' compensation benefits are established under provisions of the Nonappropriated Fund Instrumentalities (NAFI) Act of 1958, (now 5 USC 8171-8173), which extends the provisions of the Longshore and Harbor Workers' Compensation Act (LHWCA) (33 USC 901 et seq.) to NAF employees.

14–81. Applicability

a. Benefits defined in this section apply to—

(1) Employees of NAFIs located within the United States.

(2) U.S. citizens or permanent residents of the United States or a territory, employed outside the U.S.

b. Benefits do not apply to:

(1) Active duty military employed by NAFIs.

(2) Local civilians employed by NAFIs overseas.

14–82. Coverage

a. Claims are adjudicated and paid by a commercial claims service contractor procured by the RIMP. Payments made by the contractor are derived from funds made available by the RIMP.

b. Administration is exercised by the U.S. Department of Labor District Offices, Office of Workers' Compensation Programs (OWCP). A listing of district offices is provided in table 14–4.

Table 14–4
Department of Labor district offices for Worker's Compensation Programs

District: 1
Title: District Director
Address: Department of Labor, OWCP, JFK Federal Bldg, Rm 260, Boston, MA 02203
Telephone: (617) 565–2103
Area of jurisdiction: (Northeast) Canada, East of 75 degrees W. Longitude; Newfoundland; Greenland; Connecticut; Maine; Massachusetts; New Hampshire; Rhode Island; and Vermont.

District: 2
Title: District Director
Address: Department of Labor, OWCP, P.O. Box 249, New York, NY 10014–0249
Telephone: (212) 337–2030, FAX (212) 337–2023
Area of jurisdiction: All overseas areas not assigned to another District Office (Europe, Middle East, Africa, South and Central America); Bermuda; Puerto Rico; Panama; Virgin Islands; New York; and New Jersey.

District: 3
Title: District Director
Address: Department of Labor, OWCP, Curtis Center, Suite 790 West, 170 S. Independence Mall West, Philadelphia, PA 19106–3313
Telephone: (215) 861–5461 FAX (215) 596–4265
Area of jurisdiction: Delaware; Pennsylvania; and West Virginia.

District: 4
Title: District Director
Address: Department of Labor, OWCP, 31 Hopkins Place, Room 410–B, Baltimore, MD 21201
Telephone: (410) 962–3677
Area of jurisdiction: District of Columbia; and Maryland, including the Potomac River.

District: 5
Title: District Director
Address: Department of Labor, OWCP, 200 Granby Mall, Federal Bldg., Room 212, Norfolk, VA 23510
Telephone: (757) 441–3071
Area of jurisdiction: Virginia, except the Potomac River.

District: 6
Title: District Director
Address: Department of Labor, OWCP, 214 North Hogan Street, Suite 1040, Jacksonville, FL 32202
Telephone: (904) 357–4788
Area of jurisdiction:
Alabama; Florida; Georgia; Kentucky; North Carolina; South Carolina; and Tennessee.

District: 7
Title: District Director
Address: Department of Labor, OWCP, 701 Loyola Ave., Room 13032, New Orleans, LA 70113
Telephone: (504) 589–2671
Area of jurisdiction: Arkansas, Louisiana, and Mississippi.

District: 8
Title: District Director
Address: Department of Labor, OWCP, 8866 Gulf Freeway, Suite 140, Houston, TX 70117
Telephone: (713) 943–1605
Area of jurisdiction: Texas; Oklahoma; and New Mexico.

District: 10
Title: District Director
Address: Department of Labor, OWCP, 230 S. Dearborn Street, Room 872 Chicago, IL 60604
Telephone: (312) 353–8883, FAX (312) 353–1854
Area of jurisdiction: Canada between 75 and 110 degrees W. Longitude; Minnesota; Wisconsin; Illinois; Indiana; Michigan; Ohio; Iowa;

Table 14–4
Department of Labor district offices for Worker's Compensation Programs—Continued

District: 13
Title: District Director
Address: Department of Labor, OWCP, 71 Stevenson Street, Suite 1705, Box 3770 San Francisco, CA 94119–3770
Telephone: (415) 975–4274
Area of jurisdiction: Arizona; Nevada; and California, except as noted in District 18.

District: 14
Title: District Director
Address: Department of Labor, OWCP, 111 Third Avenue, Suite 620, Seattle, WA 98101–3212
Telephone: (206) 553–4471
Area of jurisdiction: Canada, west of 110 degrees W. Longitude; Alaska; Idaho; Oregon; Washington; Utah; Colorado; Montana; Wyoming; North Dakota; and South Dakota.

District: 15
Title: District Director
Address: Department of Labor, OWCP, 300 Ala Moana Boulevard, Room 5–135, Honolulu, HI 96850
Telephone: (808) 541–1983
Area of jurisdiction: Hawaii and all land and water areas outsidethe continents of North and South America that are south of 45 degrees N. Latitude, west of 110 degrees W. Longitude, and east of 60 degrees E. Longitude (Indian Ocean; Indian subcontinent; Southwest Asia; China; Korea; Japan; and the North and South Pacific Oceans).

District: 18
Title: District Director
Address: Department of Labor, OWCP 401 E. Ocean Blvd., Suite 720, Long Beach, CA 90802
Telephone: (562) 980–3578
Area of jurisdiction: California, south of the northern boundaries of San Luis Obispo County, Kern County, and San Bernardino County.

c. Compensation is paid for disability or death arising out of, and in the course of, employment. Compensation is denied if an injury or death is due solely to intoxication of the employee or resulted from a willful intent to injure or kill oneself or another person.

d. In broad terms, compensation covers employees—

(1) From the time they report for duty until the time they leave at the end of working hours. It does not normally cover travel to and from work.

(2) While traveling under temporary duty orders, unless the employee deviates from the scope of employment.

e. Except for benefits described in paragraph 14–83, compensation is not paid for the first 3 days of disability unless the total duration of the disability exceeds 14 days.

f. Employees may receive workers' compensation disability benefits or accrued sick leave if an expressed agreement is signed per AR 215–3. An example is provided at figure 14–2. The total weekly payment cannot be more than the gross weekly wage at the time of injury.

g. The employee may request sick leave or annual leave in conjunction with workers' compensation disability payments. Policy in AR 215–3 applies.

h. Any claimant or claimant's representative who knowingly and willfully makes a false statement to obtain workers' compensation benefits is guilty of a felony that may result in a fine, imprisonment, or both.

i. Any person who knowingly and willfully makes a false statement to reduce, deny, or terminate benefits to an injured employee may be fined, imprisoned, or both.

j. All NAF activities will post a copy of Department of Labor Form LS-242(NF) (Notice of Workers' Compensation Benefits) in a place that is conspicuous and accessible to all NAF employees. This form states that the employing NAFI holds required workers' compensation coverage.

k. The RIMP workers' compensation contractor is RSKCo Inc., P.O. Box 163986, Austin, TX 78716. All Department of Labor (LS) forms (table 14–5) are obtained from RSKCo. (Table 14–5 is located at the end of this chapter.)

14–83. Benefits

a. Medical care. Includes medical treatment services, medicines, and supplies, subject to provisions of the LHWCA.

(1) An employee has the right to choose a physician authorized to provide medical care under the LHWCA, but then may not change physicians without prior approval of the claims service contractor.

(2) At the time of injury, the employing NAFI may select a physician when prompt treatment is needed and the employee is unable to choose.

(3) The Form LS–1 (Request for Examination and/or Treatment) is given to the employee only once. The treating

physician should, within 10 days after first treatment, send a medical report to the District Director, the claims service contractor, and the employer. Thereafter, the doctor should send reports at regular intervals.

b. Disability.

(1) Employees who become totally disabled, either temporarily or permanently, may receive up to two-thirds of their average weekly wage subject to, but not limited to, the following restrictions:

(a) The average weekly wage will not exceed 200 percent of the national average weekly wage, as determined by the Department of Labor.

(b) The average weekly wage will not be less than 50 percent of the national average weekly wage. An employee earning less than 50 percent of the national average may receive 100 percent of his or her average weekly wage.

(2) Employees who become partially disabled, either temporarily or permanently, may be entitled to, but not limited to, benefits as follows:

(a) Two-thirds of the difference between the average weekly wage before the injury and the actual wage earning capacity after the injury, for a period not to exceed 5 years.

(b) Awards may be allowed for loss of scheduled body parts (that is, hand, foot, eye) as stated in the law.

(c) The following death benefits are payable if the injury results in a qualifying work-related death:

1. Reasonable funeral expenses, not to exceed $3,000.

2. 50 percent of the employee's average weekly wage payable to the surviving spouse living with or dependent on the deceased at the time of death. Upon remarriage, compensation totaling 2 years of payment is paid in one lump sum.

3. Sixteen and two-thirds (16–2/3)percent payable to each child, as defined in the LHWCA.

4. If the surviving spouse dies or remarries, half of the average weekly wage is paid to one child, and two-thirds to two or more children.

5. Benefits are also payable to other persons who satisfy the term "dependent," as defined in the LHWCA.

c. Total payments. Total compensation payable in all cases will not exceed two-thirds of the employee's average weekly wage. Payments are made bi-weekly.

14–84. First reports by employees

NAF employees or their agents must inform the employer of injury or death within 30 days.

14–85. First reports by employers

a. Employing NAFIs must notify the Department of Labor district office, RIMP, and the claims service contractor within 10 days of the date of injury or death or becoming aware of any injury, illness, or occupational disease or infection that results from the employee's employment.

b. Notification is made on Department of Labor Form LS-202 (Employer's First Report of Injury or Occupation Illness). Instructions for preparing this form and a sample completed form are provided in figure 14–3.

c. Completed forms are prepared and signed by the activity manager and reviewed by the servicing NAF Human Resources Office.

d. Copies are submitted as follows:

(1) Two copies to the appropriate Department of Labor district office listed in table 14–4.

(2) One copy to the claims service contractor at the address listed in paragraph 14–82*k*.

(3) One copy to RIMP (CFSC-FM-I), 4700 King Street, Alexandria, Virginia 22302–4406.

e. Exceptions to Form LS-202 submissions requirements are as follows:

(1) Incidents that do not require medical attention or involve lost time require submission to RIMP only. Copies are not provided to the claims service contractor or Department of Labor district office.

(2) Incidents that require medical attention but do not involve lost time require submission to RIMP and the claims service contractor. Copies are not provided to the Department of Labor district office.

f. Activity managers will notify the RIMP and claims service contractor of any doubtful aspects of any claim immediately.

g. NAFIs will keep records of all injuries as required by the LHWCA.

14–86. Claims procedures

Activity managers will ensure that the following procedures are implemented in the event of any injury:

a. Arrange for prompt treatment in an emergency, at the installation medical treatment facility or by a civilian physician.

b. Complete Part A, Department of Labor Form LS-1. A sample form is provided in figure 14–4. The following information, as a minimum, is included:

(1) Item 2: The name and address of the physician or medical treatment facility authorized to provide medical service.

(2) Item 12: The address of the servicing Department of Labor district office in table 14–4.

(3) Item 13: RIMP claims service contractor listed in paragraph 14–82*k*.

c. Send the completed Part A with the employee to the physician or medical facility whenever possible. In emergencies or where circumstance do not permit the employee to choose a physician, note on the LS-202 that LS-1 was not completed.

d. Send Part B to the Department of Labor district office and the claims service contractor (a requirement by the doctor or medical treatment facility.) (Note: The medical authorization in Form LS-1 is valid only for initial treatment. Additional or continuing treatment is authorized only by the claims service contractor.)

e. Complete Form LS-202 as prescribed by paragraph 14–85. The NAFI is subject to Department of Labor fines if this report is not filed within 10 days.

f. Complete Department of Labor Form LS-210 (Employer's Supplementary Report of Accident or Occupational Illness) if the Form LS-202 described above does not show a return to work date. A sample LS Form 210 is shown in figure 14–5. A separate LS Form 210 is completed and sent to the claims service contractor:

(1) For every pay period the employee remains disabled from performing assigned duties.

(2) When the employee returns to work.

g. Assist the claims service contractor with coordination through the NAF Human Resources Office.

h. Send all related documents, such as bills, reports, and correspondence of any kind received from any injured employee, agent, doctor, or medical facility, to the claims service contractor with coordination through the NAF Human Resources Office.

14–87. Use of military medical facilities

a. Use of military medical facilities by NAF employees normally is limited to initial or emergency treatment only and is free of charge. In non-emergency cases and for all other treatment, employees must select a civilian doctor or medical facility, as explained in paragraph 14–83.

b. In overseas areas or in CONUS remote areas where no adequate civilian medical facilities exist, follow-up treatment or hospitalization is authorized at rates set by The Surgeon General of the Army. The employee must personally pay for military medical treatment. Itemized receipts, however, are sent to the claims service contractor for reimbursement.

c. The first reports explained in paragraphs 14–84 and 14–85 are filed regardless of the source of medical treatment.

14–88. Modified duty/return to work program

a. A modified duty/return to work program is one of the best ways to keep the costs of workers' compensation claims down. Every effort should be made to return the injured employee to work as soon as the employee is medically released.

b. When an employee is brought back into the workforce on modified duty, the following procedures are followed:

(1) The claims service contractor will notify the NAF Human Resources Office when an injured employee is released to modified or full duty by the treating physician. A copy of the medical limitations or restrictions imposed by the medical physician is sent to the NAF Human Resources Office.

(2) The NAF Human Resources Office, in coordination with the employee's supervisor, will determine whether the employee, with reasonable accommodation, can return to his/her regular position. If the employee, with reasonable accommodation, cannot perform the essential functions of the position, the NAF Human Resources Office will review all available openings at the installation to determine if another position exists which meets or can be modified to meet the physical restrictions of the employee. If a position is not identified for the returning employee, the claims service contractor is notified in writing.

(3) The identified position must be actual work with a proper job description, where the employee can accomplish a task beneficial to the overall workings of the installation—a made-up position is not acceptable.

(4) When the position is identified and the job description written indicating the modified duties of the position, the job description is provided to the claims service contractor for approval by the treating physician.

(5) After the physician approves the modified duties in the job description, a job offer letter is sent to the employee by certified mail/return receipt requested. If the employee declines the position, the claims service contractor is notified immediately. If the employee accepts the position, the employee is expected to report to the NAF Human Resources Office on the date and time indicated. If the employee does not appear for work after accepting the position, the claims service contractor is notified immediately.

c. When the employee reports to work, the supervisor should explain exactly what duties are expected of the employee. Every effort is made for a smooth transition back to work.

14–89. Coverage for Korean Nationals

U.S. Army NAFIs operating in Korea provide death and disability benefits for Korean national NAF employees as required by the Republic of Korea Standard Labor Law No. 286 (the Labor Law). Required coverage is provided by a RIMP workers' compensation program that is similar to, but separate from, workers' compensation provided for NAF employees under the NAFI Act.

a. Coverage.

(1) Compensation described in this paragraph applies to disability or death resulting from injury or occupational disease sustained by Korean national NAF employees of the U.S. Army NAFs located in Korea that arise out of, are related to, or are in the course of employment.

(2) Coverage does not apply to active duty military employed on a part-time basis during off-duty hours by U.S. Army NAFIs located in Korea.

b. Benefits.

(1) *Medical.* Each Korean National NAF employee:

(a) Is entitled to compensation for medical expenses to the extent required for complete recovery.

(b) May receive medical care from any duly licensed and qualified physician, including surgeons and osteopaths.

(c) May select any hospital duly licensed by the Republic of Korea.

(2) *Disability.* Each Korean national employee who is unable to work is entitled to 60 percent of the average daily wage beginning on the date the disability was incurred.

(3) Death benefits. Survivors are entitled to:

(a) Funeral expenses equal to 90 days pay, based on the average daily wage.

(b) A lump sum benefit, in addition to funeral expenses, of 1,000 days pay based on the average daily wage.

c. Reports.

(1) Each employee or employee's agent must give written notice of death or disability to the NAF supervisor or other representative in the form prescribed by the labor law.

(2) Each U.S. Army NAFI employer must—

(a) Complete the reports required by the Labor Law.

(b) Provide copies of reports to the servicing NAF Human Resources Office and RIMP.

(c) Inform RIMP of any doubtful aspects of any claim.

14–90. Coverage for other foreign nationals

a. Except for coverage of Korean nationals described in paragraph 14–89, RIMP does not provide workers' compensation benefits for local national employees of U.S. Army NAFIs.

b. The liability of U.S. Army NAFIs located overseas for death or injury to local national employees generally is determined by:

(1) The local laws or customs of the host nation.

(2) The provisions of any Status of Forces Agreement or other applicable agreement or treaty.

c. Where local laws, customs, treaties, or agreements require U.S. Army NAFIs to provide the equivalent of workers' compensation, required coverage is obtained by:

(1) Purchasing appropriate insurance from an authorized local commercial source as an exception to policy stated in paragraph 14–4*c*.

(2) Contributing to an applicable foreign government-managed compensation program.

Section XVI
Unemployment Compensation

14–91. Administration

The NAF Unemployment Compensation Program is administered by RIMP. RIMP will assess NAFIs for the cost of the program, act as liaison with the Department of Labor and State Employment Security agencies to verify benefit payments and quarterly billings and assist in coordinating efforts between payroll offices and NAF civilian personnel offices.

14–92. Verification of benefit costs

a. Eligible former employees apply for unemployment compensation through any office of the State Employment Security Agency or equivalent.

b. The appropriate State agency:

(1) Sends Department of Labor Form ES-931 (Request for Wage and Separation Information) to the servicing NAF payroll office.

(2) Determines eligibility and pays authorized benefits directly to employees.

(3) Provides payment information to the Department of Labor.

c. The Department of Labor bills RIMP for appropriate amounts.

d. RIMP reimburses the Department of Labor from the ACIF Unemployment Compensation reserve.

e. Installations not serviced by a Central NAF Payroll office submit copies of completed ES-931 forms quarterly to RIMP.

f. The NAF Unemployment Compensation program is centrally managed by RIMP.

g. RIMP compares statements of charges for the State agencies and from the Department of Labor with Form ES-931 information to detect discrepancies and obtain appropriate credits.

h. RIMP will compile management reports to assist in identifying problem areas and make recommendations for improvements.

14–93. Assessment of costs to NAFIs

To provide funds to pay the cost of Unemployment Compensation benefits, RIMP will assess each NAFI a percentage of the NAF U.S. civilian payroll. The percentage charged is based on experience and projected costs to generate funds to cover the cost of the program. The assessment is billed to each NAFI quarterly. RIMP will review the assessment policy and procedure annually.

Table 14–5
Worker's Compensation Claims Forms

Form number	Preparer	Disposition	Remarks
LS–1 Request for Examination or Treatment	Part A, Activity manager with coordination of the NAF Human Resources Office (original and 2 copies). This form must be signed by the activity manager. Part B, Doctor. This form must give the name of the physician or medical facility.	Give to the employee. Authorization is given only once. If more than one authorization is given to the employee, the NAFI will be liable for the expense occurred. Send original to the district office and a copy to the claims service contractor.	Part A—authorizes doctors to treat the employee and the claims services contract to pay the bill.
LS–202 Employer's First Report of Injury or Occupational Illness.	Employer, after injury or death whether by the employer's written notice or from other sources (original and 4 copies).	File 2 copies with the district office, send 1 copy to the claims service contractor, 1 copy to the ACIF, and retain 1 copy.	The LS–202 must be fully completed by the activity manager and filed within 10 days.
LS–204 Attending Physician Supplementary Report	Doctor. These are sent after the first report (Part B, LS–1).	Send to the district office and the claims service contractor.	Updates treatment record. A physician's report will be acceptable instead of the LS–204.
LS–206 Payment of Compensation Without Award	The claims service contractor when compensation is begun and eligibility is not questioned.	Sent to the district office and to injured employee with first check by the claims service contractor.	Starts disability payments.
LS–207 Notice to District Director Right to Compensation is Controverted	The claims service contractor, when employer advises employee was not injured on the job, is not eligible for compensation, or a question of compensability arises.	Sent to the district office by the claims service contractor only.	Benefits will not be paid until the Deputy Commissioner investigates and makes a determination of compensability.
LS–208 Compensation Payment Stopped or Suspended	The claim service contractor, when employee has returned to work or payments have been completed.	Sent to the district office and employee by the claims service contractor.	Stops disability payments.
LS–210 Supplementary Report of Accident or Occupational Illness	Employer completes every pay period when employee loses time due to an on-the-job incident.	Send to the claims service contractor.	Documents lost time due to on-the-job injury.
LS–222 Carrier's or Self-Insurer's Report on Rehabilitation to Deputy Commissioner	The claims service contractor, after an employee has been continuously disabled for 60 days or more.		
LS–242 (NF) Notice Employee		ACIF send to NAFI.	A printed poster which should be clearly displayed in the workplace. It advises employees that compensation for on-the-job injuries is available through the employer under LHWCA.
LS–555 Privacy Act Notice		Give to employee with LS–1.	

Notes:

Forms are available from the claims service contractor at RSKCo Inc., P.O. Box 163986, Austin, TX 78716. Telephone: (512) 340–7950; FAX: (512) 340–7995.

(NAF Letterhead)

(Date)

(Name of carrier, vendor, or agent)
(Address)
(City, State, Zip Code)

Gentlemen:

This letter is a formal notice of claim in connection with the shipment described below that (briefly describe reason for claim, such as nondelivery, short shipment, or damaged goods) and was discovered on (date damage was discovered or exceptions noted).

Identifying and related information is provided as follows:

a. Cosignor: (Name and address of the entity that originated the shipment).

b. Cosignee: (Name and shipping address of the NAF activity or other entity to which the shipment was addressed).

c. Bill of Lading Number: (Include the complete bill of lading number as indicated on shipping documents.)

d. References: (Purchase order number; contract number; invoice number; or other ordering information that can be used to identify the shipment).

e. Date of shipment: (Date the goods were actually shipped by the consignor, if known).

f. Description: (Describe the goods that were lost, damaged, or destroyed in broad terms, such as electronic equipment, athletic equipment, sportswear).

g. Origin: (Identify the place from which the goods were shipped).

h. Destination: (Identify the point of delivery).

i. Number of pieces: (Identify the total number of pieces comprising the shipment, such as six boxes, eight cartons, two rolls.)

j. Name of carrier: (Identify the name of the commercial carrier or vessel that transported the shipment).

Figure 14–1. Sample notice of claim

k. Total weight: (State and total weight of the shipment as received).

l. Estimated damages: (State and estimated amount of damages in U.S. dollars sustained by the shipment).

This notice of claim is provided in accordance with the terms and conditions of the contract of carriage. Detailed information, to include a final damage estimate and supporting document, will be provided as they become available.

Very truly yours,

(Signature of fund manager or designated representative)

Figure 14–1. Sample notice of claim—Continued

U.S. ARMY NONAPPROPRIATED FUND

WORKERS' COMPENSATION CLAIM BENEFIT OPTIONS

Workers' Compensation benefits are provided to injured employees per Army Regulation AR 215-3, chapter 14.

Employees entitled to receive workers' compensation benefits for illness or injury may elect to accept one of the following options per AR 215-3:

OPTION I. Receive workers' compensation disability benefits from the claims administration service contractor supplemented with accrued or advanced sick leave up to an amount not exceeding your basic salary. This is accomplished by the payment of full sick leave benefits to the employee, with partial reimbursement (about 2/3) of the sick leave used through the employee's assignment of all workers' compensation temporary disability benefits.

I ELECT TO RECEIVE FULL SICK LEAVE BENEFITS AND HEREBY REQUEST THAT ALL WORKERS' COMPENSATION TEMPORARY DISABILITY BENEFITS BE MAILED TO ME AT–

_____

Nonappropriated Fund Human Resources Office Address

I UNDERSTAND THAT MY SICK LEAVE BALANCE WILL BE CREDITED WITH THE APPROPRIATE NUMBER OF HOURS BASED ON THE AMOUNT OF MY WORKERS' COMPENSATION TEMPORARY DISABILITY BENEFITS. I WILL ENDORSE THE CHECKS RECEIVED FROM THE CLAIMS SERVICE CONTRACTOR.

_____

Injured Employee's Signature DATE

OPTION II. Receive only workers' compensation temporary disability benefits from the claims service contractor.

I ELECT TO BE PLACED ON LEAVE WITHOUT PAY FOR THE ENTIRE PERIOD OF ABSENCE DUE TO INJURY. I UNDERSTAND THAT IF COMPENSATION IS DENIED, I MAY BE PAID ON THE BASIS OF SICK OR ANNUAL LEAVE ACCRUED TO ME.

_____

Injured Employee's Signature DATE

Figure 14–2. Sample Workers' compensation claim benefit options statement

Employer's First Report of Injury or Occupational Illness
(See instructions on reverse - Leave items 1 and 2 blank)

U.S. Department of Labor
Employment Standards Administration
Office of Workers' Compensation Programs

OMB No. 1215-0031

1. OWCP No.	2. Carrier's No.	3. Date and Time of Accident (Mo. / Day / Yr. / Hour)
	Standard NAF No. - TV1	01 / 15 / 00 / 2:15 ~~AM~~ PM

4. Name of Injured/Deceased Employee (Type or print - first, M.I., last)	5. Employee's Address (No., street, city, state, ZIP code)
John S. Doe (405) 695-0474 Telephone	123 Cache Road Lawton, OK 73505

6. Injury is Reported Under the Following Act (Mark one)	7. Indicate Where Injury Occurred (Longshore Act only) (Mark one)	8. Sex	9. Date of Birth
A ☐ Longshore and Harbor Workers' Compensation Act B ☐ Defense Base Act C ☒ Nonappropriated Fund Instrumentalities Act D ☐ Outer Continental Shelf Lands Act	A ☐ Aboard Vessel or Over Navigable Waters B ☐ Pier/Wharf C ☐ Dry Dock D ☐ Marine Terminal E ☐ Building Way F ☐ Marine Railway G ☐ Other Adjoining Area	☒ M ☐ F	4-11-48

10. Social Security No. (Required by Law): 0 1 0 1 0 1 0 0 1

11. Did Injury Cause Death? ☒ No ☐ Yes - If yes, skip to 16

12. Did Injury Cause Loss of Time Beyond Day or Shift of Accident? ☒ Yes ☐ No

13. Date and Hour Employee First Lost Time Because of Injury: Mo. 01 Day 15 Yr. 00 Hour 2:15 ~~AM~~ PM

14. Did Employee Stop Work Immediately?	15. Date and Hour Employee Returned to Work	16. Was Employee Doing Usual Work When Injured/Killed? (If no, explain in Item 26)
☒ Yes ☐ No	Has not returned	☒ Yes ☐ No

17. Did Injury/Death Occur on Employer's Premises?	18. Dept. in Which Employee Normally Works(ed)	19. Occupation
☒ Yes ☐ No	Officers' Club (Kitchen)	Dishwasher

20. Date and Hour Pay Stopped	21. Which Days Usually Worked Per Week? (Mark (X) days) S M T W T F S	22. Date Employer or Foreman First Knew of Accident.
01-16-00		01-15-00

23. Wages or Earnings (Include overtime, allowances, etc.)		24. Exact Place Where Accident Occurred (See instructions on reverse). This item should specify area if accident was in maritime employment and occurred in area adjoining navigable waters.	25. How was Knowledge of Accident or Occupational Illness Gained?
a. Hourly	$	Officers' Club Ft Sill, OK 73503	Employee informed supervisor
b. Daily	$		
c. Weekly	$		
d. Yearly	$ 10,000		

26. **Describe in full how the accident occurred** (Relate the events which resulted in the injury or occupational disease. Tell what the injured was doing at the time of the accident. Tell what happened and how it happened. Name any objects or substances involved and tell how they were involved. Give full details on all factors which led or contributed to the accident.)

Employee states he slipped on wet floor (Use additional sheet(s) if required and attach to this report)

27. **Nature of Injury** (Name part of body affected - fractured left leg, bruised right thumb, etc.) If there was amputation of a member of the body, describe.: Knee

28. Has Medical Attention Been Authorized?	29. Enter Date of Authorization	30. Was First Treating Physician Chosen by Employee?	31. Has Insurance Carrier Been Notified?
☒ Yes ☐ No	01-15-00	☒ Yes ☐ No	☒ Yes ☐ No

▶ Name	Address - Enter Number, Street, City, State, ZIP Code ◀
32. Physician: Dr. William Ross	Reynolds AMC Ft Sill, OK 73503
33. Hospital: Reynolds AMC	Ft. Sill, OK 73503
34. Insurance Carrier: RSKCO	P.O. Box 163986, Austin, TX 78716
35. Employer: FtSill Officer's Club	Ft Sill, OK 73503
36. Nature of Employer's Business: Department of Army NAFI	37. Signature of Person Authorized to Sign for Employer:

38. Official Title of Person Signing This Report	39. Date of This Report
Manager, Officers' Club (405) 595-4557	01-20-00

WC 7750d (10-98) UNIFORM INFORMATION SERVICES, INC.

Form LS-202
Rev. Oct. 1998

Figure 14–3 (PAGE 1). Sample completed Department of Labor Form LS–202

Employer's First Report of Injury or Occupational Illness
(See instructions on reverse - Leave items 1 and 2 blank)

U.S. Department of Labor
Employment Standards Administration
Office of Workers' Compensation Programs

OMB No. 1215-0031

1. OWCP No.	2. Carrier's No.	3. Date and Time of Accident Mo. Day Yr. Hour AM PM
4. Name of Injured/Deceased Employee (Type or print - first, M.I., last) Telephone		5. Employee's Address (No., street, city, state, ZIP code)
6. Injury is Reported Under the Following Act (Mark one) A ☐ Longshore and Harbor Workers' Compensation Act B ☐ Defense Base Act C ☐ Nonappropriated Fund Instrumentalities Act D ☐ Outer Continental Shelf Lands Act	7. Indicate Where Injury Occurred (Longshore Act only) (Mark one) A ☐ Aboard Vessel or Over Navigable Waters B ☐ Pier/Wharf C ☐ Dry Dock D ☐ Marine Terminal E ☐ Building Way F ☐ Marine Railway G ☐ Other Adjoining Area	8. Sex ☐ M ☐ F 9. Date of Birth 10. Social Security No. (Required by Law) 11. Did Injury Cause Death? ☐ No ☐ Yes - If yes, skip to 16 12. Did Injury Cause Loss of Time Beyond Day or Shift of Accident? ☐ Yes ☐ No 13. Date and Hour Employee First Lost Time Because of Injury Mo. Day Yr. Hour AM PM
14. Did Employee Stop Work Immediately? ☐ Yes ☐ No	15. Date and Hour Employee Returned to Work	16. Was Employee Doing Usual Work When Injured/Killed? (If no, explain in Item 26) ☐ Yes ☐ No
17. Did Injury/Death Occur on Employer's Premises? ☐ Yes ☐ No	18. Dept. in Which Employee Normally Works(ed)	19. Occupation
20. Date and Hour Pay Stopped	21. Which Days Usually Worked Per Week? (Mark (X) days) S M T W T F S	22. Date Employer or Foreman First Knew of Accident.
23. Wages or Earnings (Include overtime, allowances, etc.) a. Hourly $ b. Daily $ c. Weekly $ d. Yearly $	24. Exact Place Where Accident Occurred (See instructions on reverse). This item should specify area if accident was in maritime employment and occurred in area adjoining navigable waters.	25. How was Knowledge of Accident or Occupational Illness Gained?

26. **Describe in full how the accident occurred** (Relate the events which resulted in the injury or occupational disease. Tell what the injured was doing at the time of the accident. Tell what happened and how it happened. Name any objects or substances involved and tell how they were involved. Give full details on all factors which led or contributed to the accident.)

(Use additional sheet(s) if required and attach to this report)

27. **Nature of Injury** (Name part of body affected - fractured left leg, bruised right thumb, etc.) If there was amputation of a member of the body, describe.

28. Has Medical Attention Been Authorized? ☐ Yes ☐ No	29. Enter Date of Authorization	30. Was First Treating Physician Chosen by Employee? ☐ Yes ☐ No	31. Has Insurance Carrier Been Notified? ☐ Yes ☐ No

▶ Name	Address - Enter Number, Street, City, State, ZIP Code ◀
32. Physician	
33. Hospital	
34. Insurance Carrier RSKCO	P.O. Box 163986, Austin, TX 78716
35. Employer	
36. Nature of Employer's Business	37. Signature of Person Authorized to Sign for Employer
38. Official Title of Person Signing This Report	39. Date of This Report

WC 7750d (10-98) UNIFORM INFORMATION SERVICES, INC.

Form LS-202
Rev. Oct. 1998

Figure 14–3 (PAGE 2). Sample completed Department of Labor Form LS–202—Continued

This report is to be filed in duplicate with the District Director in the appropriate district office of the Office of Workers' Compensation Programs and is required by 33 U.S.C. 930 (a). File form within 10 days from the date of injury or death or from the date the employer first has knowledge of an injury or death. Under the law all medical treatment and compensation must be furnished by the employer or its insurance company. Treatment must be by a physician chosen by the employee unless the physician is on a list of physicians currently not authorized by the Department of Labor to render medical care under the Act. Compensation payments become due and are payable on the 14th day after the employer first has knowledge of the injury or death. Penalties may be charged for failure to comply with provisions of the law. The information will be used to determine entitlement to benefits. Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number.

REPORTABLE INJURY - Any accidental injury which causes loss of one or more shifts of work or death allegedly arising out of and in the course of employment, including any occupational disease or infection believed or alleged to have arisen naturally out of such employment, or as a natural or unavoidable result from an accidental injury. If the employer controverts the right to compensation it must also file a notice of controversion with the District Director within 14 days after it has knowledge of the alleged injury or death.

Item 6 - A. Longshore and Harbor Workers' Compensation Act covers employees injured while engaged in maritime employment upon the navigable waters of the United States (including any adjoining pier, wharf, dry dock, terminal, building way, marine railway, or other adjoining area customarily used by an employer in loading, unloading, repairing, or building a vessel); -employees injured upon the navigable waters of the United States and other described areas who at the time of injury were engaged in maritime employment and are not otherwise specifically excluded under the Act (33 U.S.C. 902).

B. Defense Base Act covers any employment (1) at military, air, and naval bases acquired by the United States from foreign countries; (2) on lands occupied or used by the United States for military or naval purposes outside the continental limits of the United States; (3) upon any public work in any Territory or possession outside the continental United States under a contract of a contractor with the United States; (4) under a contract entered into with the United States where such contract is to be performed outside the continental United States and at places not within the areas described in (1), (2), and (3) above for the purpose of engaging in public work; (5) under certain contracts approved and financed by the United States under the Mutual Security Act of 1954, as amended; and (6) in the service of American employers providing welfare or similar services for the benefit of the Armed Forces outside the Continental United States.

C. Nonappropriated Fund Instrumentalities Act covers employees of nonappropriated fund instrumentalities of the Armed Forces, e.g., post exchanges, motion picture service, etc.

D. Outer Continental Shelf Lands Act covers employees of private employers engaged in operations conducted on the Outer Continental Shelf for the purpose of exploring for, developing, removing, or transporting by pipeline the natural resources of submerged lands.

Item 24 - "Exact place where accident occurred" requires the nearest street address, city and town. In addition -

- If on a vessel,
  Give place on vessel where injury happened (Deck, hold, tweendeck, engine room, etc.) Name of vessel
- If either on an adjoining pier, wharf, dry dock, terminal, building way, marine railway, or other area customarily used in loading, unloading, repairing, or building a vessel

  Name or number of pier, dry dock, marine railway, etc.
  Name of the terminal or shipyard
  Nearest street address - City and State
- If on military or Defense Base,

  Give exact place on base where injury happened
  Name of base
  Location of base - town or country
- If on the Outer Continental Shelf,

  Give drilling site and block number
  Area name (e.g. West Delta Area)
  Federal Lease Number, State Lease Number
  Distance from and name of nearest land, name of State

NOTE: FILING THIS FORM DOES NOT CONSTITUTE AN ADMISSION OF LIABILITY UNDER THE COMPENSATION ACT. Any employer, insurance carrier, or self-insured employer who knowingly and willfully fails to submit this report when required or knowingly or willfully make a false statement or misprestentation in this report shall be subject to a civil penalty not to exceed 10,000 for each such failure, refusal, false statement, or misprestentation. [33 U.S.C. 930(e)] This report shall not be evidence of any fact stated herein in any proceeding in respect to any such injury or death on account of which the report is made. [33 U.S.C. 930(c)]

Public Burden Statement

We estimate that it will take an average of 15 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the U.S. Department of Labor, Division of Longshore and Harbor Workers' Compensation, 200 Constitution Avenue, N.W., Washington, D.C. 20210. **DO NOT SEND THE COMPLETED FORM TO THIS OFFICE**

Figure 14–3 (PAGE 3). Sample completed Department of Labor Form LS–202—Continued

Legend:

Completion instructions for Department of Labor Form LS-202:
Item No–
(1) Leave blank.
(2) Standard NAF code (app F).
(3) Complete as shown.
(4) Enter the injured employee's name (first middle initial, and last) and telephone number.
(5) Complete as shown.
(6) Check Box C only.
(7) Leave blank.
(8) Check proper box.
(9) Enter the age or date of birth of the injured employee. When giving date of birth, use month, date, and year.
(10) Complete as shown. Failure to submit the Standard NAF Code will not result in the loss of any right or benefit. If may, however, slow processing by making it harder to relate pieces of documentation.
(11) through (14) Complete as shown.
(15) If Item 12 is checked "No," leave this item blank. If checked "Yes," enter the date (month-day-year) and time that the employee first reported for work after the date of the injury. If the employee has not returned to work by the time this report is prepared and sent, leave the item blank. If the employee returns to work after this report has been sent, report the return-to-work on a Form LS 210.
(16) and (17) Complete as shown.
(18) Enter the name of the employing NAF, and in parentheses, give the employee's work area (e.g., kitchen, bowling center, or office).
(19) Complete as shown.
(20) Enter the date (month-day-year) and time that the injured employee's pay stopped. If it did not stop, enter "Did not stop."
(21) and (22) Complete as shown.
(23) Fill in subsection a, b, c, or d, as applicable. Only one of these subsections should contain an entry. If the injured employee is part-time or intermittent, determine average weekly wage by taking the total salary for the 13 weeks before the injury and dividing by 13.
a. If the worker is paid hourly, enter the hourly rate at which compensated. (Include tip credits taken in compensating a tipped employee; also if the conditions of employment provide for the employer to furnish a meal during a normal daily shift, include credit for a pro rata share d the cost of the meal to the employer.) To determine this pro rata costs, divide the cost of the meal by the number of hours the employee works per shift and add the result to the normal hourly wage.
b. If wage is a daily rate, enter rate in this section. Include tips and meals.
c. If wage is a weekly rate enter rate in this section. Include tips and meals.
d. If salary is yearly, enter the salary in this section. Include tips and meals.
(24) Tell where the injury happened, give a complete description of the location, such as–
Officers' Club, Bldg #4
Fort Meade, MD 20755-5360
(25) Tell how the employer or supervisor became aware of an on-the-job injury; whether by the employee's oral report or written notice by an employee agent on Form LS 201.
(26) Completely describe how the accident happened. Tell what the employee was doing at the time of the accident, what happened, and how it happened. Name any objects or substances involved and tell how they were involved.
(27) Enter the type of injury, such as fractured left leg, rut right thumb, or bruised left hand.
(28) Enter the date (month-day-year) that the employing fund authorized medical care. If medical care was not granted on the date of the injury, explain why.
(29) and (30) Complete as shown.
(31) Enter the date (month-day-year) that the claim service contractor was informed. (This date should normally be the same date that Form LS 202 was mailed to addressee listed in Item 34, and the date that is recorded in Item 39.)
(32) Enter the name and address of the doctor who treated the employee.
(33) If the employee was treated at a hospital, give the name and address of the hospital.
(34) Enter the address of the claims service contractor.
(35) Enter the name and correct mailing address of the NAFI.
(36) Enter "Nonappropriated Fund," to describe the type of the employer's business.
(37) To be signed by fund manager or designated representative.
(38) Enter the official title and telephone number of the person who signed in Item 37.
(39) Enter the date of the report was signed.

Figure 19-3. Completion instructions for Department of Labor Form LS-202

Figure 14–3 (PAGE 4). Sample completed Department of Labor Form LS–202—Completed

Request for Examination and/or Treatment

U.S. Department of Labor
Employment Standards Administration
Office of Workers' Compensation Programs

Part A - Authorization | OMB No. 1215-0066

Instructions to Employer. This side of the form must be completed in full, and authorizes a physician of the **employee's choice** (*See item 2 below) to examine and/or treat an employee, covered by the Federal workers' compensation act marked in the box at right, for accidental injury, illness or disease arising out of and in the course of employment.

Mark either box A or B in item 7. The original and at least two copies of this form are to be given to the physician. The physician is to complete the medical report and the initial bill on the reverse, sending within ten days the original of the report to the District Director and copies to the insurance company or employer named in item 13. Subsequent and regular follow-up reports should be submitted by the physician on Form LS-204 and/or in narrative reports, whenever requested.

An employee may not select a physician who is currently not authorized by the Department of Labor to provide medical care under the Act.

Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number. The information collected will be used to supervise the medical care rendered to injured employees and furnishing the information is mandatory (20 CFR 702.419).

1. This Authorization is for examination and/or treatment under the Workers' Compensation Act marked below:

A ☐ Longshore and Harbor Workers' Compensation Act

B ☐ Defense Base Act

C ☒ Nonappropriated Fund Instrumentalities Act

D ☐ Outer Continental Shelf Lands Act

2. Name and address of physician or medical facility authorized to provide medical service
*(The term "physician" includes doctors of medicine (MD), surgeons, podiatrists, dentists, clinical psychologists, optometrists, osteopathic practitioners, and chiropractors. Payment for chiropractic services is limited to charges for physical examinations, related laboratory tests, x-rays to diagnose a subluxation of the spine, and treatment consisting of manipulation of the spine to correct a subluxation demonstrated by x-ray. See 20 CFR 702.404)

Reynolds AMC
Ft.Sill, OK 73503

3. Employee's name (Last, first, middle)	4. Date of injury (Month, day, year)	5. Occupation
John S. Doe	01-15-00	Dishwasher

6. How accident or illness occurred

Employee states he slipped on wet floor

7. You are authorized to provide medical services to the employee as follows:

A ☒ If you believe the condition is related to the injury, or the employee's occupation, furnish office and/or hospital treatment as necessary for the effects of this injury.

B ☐ If you are in doubt as to whether the condition(s) found on examination is related to the injury, you are authorized to examine the employee, using indicated non-surgical diagnostic studies, and should promptly advise those listed in item 13 whether you believe the disability is due to the alleged injury. Pending further advice you may provide necessary conservative treatment.

You are requested to submit a written report of first treatment within 10 days to the District Director at the Office named in item 12 below (See back of this form for instructions as to medical report and the submission of your charges).

8. Signature and title of authorizing official (Sign all copies)	9. Name and address of employer
	Officers' Club Ft Sill, OK 73503
10. Telephone (Area code and local number) (405) 595-4557	**11. Date authorized (Month, day, year)** 01-15-00
12. Send one copy of your report to: **U.S. Department of Labor** **Employment Standards Administration** **Office of Workers' Compensation Programs** (See Table 14-4 for OWCP Address)	**13. Name and address of insurance carrier or self-insured employer to whom bill and copy of report are to be sent** RSKCO P.O. Box 163986 Austin, TX 78716

Public Burden Statement

Public reporting burden for this collection of information is estimated to average 65 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Division of Longshore and Harbor Workers' Compensation, 200 Constitution Avenue, N.W., Washington, D.C. 20210. **DO NOT SEND THE COMPLETED FORM TO THIS OFFICE**

WC 7560b (5-98) UNIFORM INFORMATION SERVICES, INC. Form LS-1

Figure 14–4 (PAGE 1). Sample completed Department of Labor Form LS–1

Part B - Attending Physician's Report of Injury and Treatment

Instructions To Physician: This initial report should be completed and submitted within 10 days. Mail the original to the District Director (see item 12 for address), and a copy to the company listed in item 13. Subsequent reports should be made regularly on form LS-204 and/or in narrative form while the employee is in your care. Please read item 7 on the front of this form. Your Social Security Number is voluntary and is used for identification purposes only.

14. What history of injury or disease did employee give you?

15. Is there any history or evidence of pre-existing injury, disease, or physical impairment?
☐ No ☐ Yes - Please describe

16. What are your findings (include results of x-rays, laboratory tests, etc.)?

17. What is your diagnosis?

18. Do you believe the condition found was caused or aggravated by the employment activity described? (Please explain your answer if there is doubt.)
☐ Yes ☐ No

19a. Did injury require hospitalization? ☐ No ☐ Yes - Complete b, c, d
b. Name of hospital
c. Date admitted (Month, day, year)
d. Date discharged

20. Is additional hospitalization required?
☐ Yes ☐ No.

21. Surgery (If any, describe type)

22. Date surgery performed (Month, day, year)

23. What type of treatment did you provide other than hospitalization or surgery?

24. What permanent effects of the injury, if any, do you anticipate?

25. Date of first examination (Month, day, year)

26. Date(s) of treatment (Month, day, year)

27. Date of discharge from treatment (Month, day, year)

28. Period of disability (If termination date unknown - so indicate) (Month, day, year)
Total disability: From To
Partial disability: From To

29. Date employee able to resume work (Month, day, year)
☐ To light work _____
☐ To regular work _____

30. If employee is able to resume work, has he/she been advised? ☐ No ☐ Yes - Furnish date advised (Month, day, year)

31. If employee is able to resume only light work, indicate physical limitations and the type of work which can reasonably be performed with these limitations.

32. Remarks and recommendation for future care, if indicated.

33. Do you specialize? ☐ No ☐ Yes - State specialty

34. Signature and typed name of physician

35. Address (No., street, city, state, ZIP code)

36. Physician's social security number

37. Date of this report(Month, day, year)

38. Medical bill (Charges for your services may be presented in the space below or on your billhead stationery.)

Date or period of treatment	Services and supplies must be itemized	Qty. or No.	Unit price		Amount	
			Cost	Per	$	¢
		Total →				

Figure 14–4 (PAGE 2). Sample completed Department of Labor Form LS–1—Continued

Employer's Supplementary Report of Accident or Occupational Illness

U.S. Department of Labor
Employment Standards Administration
Office of Workers' Compensation Programs

Notice: This Report must be filed promptly with the District Director in every case in which (1) Form LS-202 does not show date injured employee returned to work, and (2) each time injured employee has returned to work and later becomes disabled for work (33 U.S.C.930(b). If the employee was disabled for work more than 3 days, compensation payments should be reported on Forms LS-206 and LS-208. Medical reports must be sent to the District Director promptly following first treatment and thereafter while treatment continues. Please type or print all information. (If additional space is needed, use back of form.) The information will be used to determine entitlement to benefits. Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number.

OMB No. 1215-0031

For Office Use
1. OWCP No.
2. Carrier's No.

3. Name of injured employee (First, middle initial, last): John S. Doe

4. Date of accident (Mo., day, yr.): 01-15-00

5. Address of injured employee (Number and Street, City, State, ZIP code): 123 Cache Road, Lawton, OK 73505

6. Name and address of your insurance carrier: RSKCO, P.O. Box 163986, Austin, TX 78716

7. **Initial Period of Disability** (Use Inclusive Dates for a and b)

a. From (Month, day, year)	b. To (Month, day, year)	c. Date returned to work (Month, day, year)
01-15-00	01-21-00	01-22-00

8. If this report covers a period of disability after the date shown in item 7c. state each subsequent period of disability. Use inclusive dates for a. and b.

a. From (Month, day, year)	b. To (Month, day, year)	c. Date returned to work (Month, day, year)

9. Did employee receive medical attention?

a. ☒ Yes - Give dates, names and addresses of doctors and hospitals providing treatment.

Reynolds AMC
Ft Sill, OK 73505

b. ☐ No - Explain

10. Was employee treated by his or her choice of physician? ☒ Yes ☐ No

11. Was form LS-1 given to employee when injury was reported to you? ☒ Yes ☐ No

12. Name of employer (Firm Name): Department of the Army, Ft Sill Officers' Club

13. Employer's address (Number and Street, City, State, ZIP code): Ft Sill, OK 73503

14. Signature of person authorized to sign for employer:

15. Official title of person signing: Manager, Officers' Club

16. Date of report (Month, day, year): 01-22-00

Public Burden Statement

We estimate that it will take an average of 15 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the U.S. Department of Labor, Division of Longshore and Habor Workers' Compensation, 200 Constitution Avenue, N.W., Washington, D.C. 20210. **DO NOT SEND THE COMPLETED FORM TO THIS OFFICE**

WC 8083c (10-98) UNIFORM INFORMATION SERVICES, INC.

Form LS-210
Rev. Oct.1998

Figure 14–5. Sample Employer's Supplementary Report (Form LS 210)

Appendix A
References

Section I
Required Publications

AR 215–3
Nonappropriated Funds Personnel Policy. (Cited in paras 3-1, 3-6, 3-8, 4-12, 4–13, 7-14, 7-25, 7-29, 8-10, 8–14, 8–22, 8-23, 8–26, 9-1, 9-2, 9-3, 9–4, 9–5, 9-9, and 14-82, table D-1, paras K-4, L-11, M-10.)

AR 215–4
Nonappropriated Fund Contracting. (Cited in paras 3-1, 3-8, 4-12, 4-13, 7-6, 7-31, 7-34, 8-13, 8-14, 8-16, 8–18, 8-22, 11–18, 12-6, 12-11, 13-4, 14-9, and 14-18, I-2, and M-7.)

AR 415–19
Nonappropriated Funded Construction Project Development and Approval. (Cited in paras 10–3, 10-7, 10-8, 10-9, and 13-1.)

DOD 7000.14–R
Department of Defense Financial Management Regulation—Volume 13, Nonappropriated Funds Policy and Procedures. (Cited in paras 3-8, 3-11, 5-6, 5-12, 5-15, 7-25, 7-38, 8-8, 8–18, 8-19, 10-5, 11-24, 11-26, 11-32, 12-1, 12-4, 12-6, 12-10, 12-11, 12-12, 12-15, and M-7.) (Available at www.dtic.mil/whs/directives.)

Section II
Related Publications

A related publication is a source of additional information. The user does not have to read a related publication to understand this regulation. Department of Defense instructions (DODIs) are available at www.dtic.mil/whs/directives. Volumes of the U.S. Code are available at http://uscode.house.gov/usc.htm.

AR 1–100
Gifts and Donations

AR 5–9
Area Support Responsibilities

AR 11–2
Management Control

AR 11–7
Internal Review and Audit Compliance Program

AR 15–1
Boards, Commissions, and Committees—Committee Management

AR 15–6
Procedures for Investigating Officers and Boards of Officers

AR 15–185
Army Board for Correction of Military Records

AR 20–1
Inspector General Activities and Procedures

AR 25–1
Army Knowledge Management and Information Technology

AR 25–30
The Army Publishing Program

AR 25–55
The Department of the Army Freedom of Information Act Program

AR 27–20
Claims

AR 27–40
Litigation

AR 30–22
The Army Food Program

AR 36–5
Auditing Service in the Department of the Army

AR 37–104–4
Military Pay and Allowances Policy

AR 40–905/SECNAVINST 6401.1A/ARI 48–131
Veterinary Health Services

AR 55–46
Travel Overseas

AR 55–71
Transportation of Personal Property and Related Services

AR 58–1
Management, Acquisition, and Use of Motor Vehicles

AR 59–3
Movement of Cargo by Scheduled Military Air Transportation

AR 60–10/AFR 147–7
Army and Air Force Exchange Service General Policies

AR 60–20/AFR 147–14
Army and Air Force Exchange Service Operating Policies

AR 60–31/AFR 147–26
Equipment and Facilities

AR 70–1
Army Acquisition Policy

AR 71–32
Force Development and Documentation—Consolidated Policies

AR 165–1
Chaplain Activities in the United States Army

AR 190–5/OPNAV 11200.5C/AFR 125–14/MCO 5110.1C/DLAR 5720.1
Motor Vehicle Traffic Supervision

AR 190–40
Serious Incident Report

AR 190–47
The Army Corrections System

AR 195–2
Criminal Investigation Activities

AR 200–3
Natural Resources—Land, Forest, and Wildlife Management

AR 200–5
Pest Management

AR 210–3
Nonstandard Activities of the United States Military Academy and West Point Military Reservation

AR 210–7
Commercial Solicitation on Army Installations

AR 210–20
Real Property Master Planning for Army Installations

AR 210–22
Private Organizations on Department of the Army Installations

AR 210–25
Vending Facility Program for the Blind on Federal Property

AR 210–50
Housing Management

AR 215–6/AFR 215–10/OPNAVINST 1710.4B/MCO 1710.23B
Armed Forces Professional Entertainment Program Overseas

AR 215–7/AFR 176–14
Civilian Nonappropriated Funds and Morale, Welfare, and Recreation Activities

AR 220–90
Army Bands

AR 230–3
Department of the Army Welfare Fund

AR 335–15
Management Information Control System

AR 340–21
The Army Privacy Program

AR 360–1
The Army Public Affairs Program

AR 385–10
The Army Safety Program

AR 385–40
Accident Reporting and Records

AR 385–95
Army Aviation Accident Prevention

AR 405–10
Acquisition of Real Property and Interests Therein

AR 405–90
Disposal of Real Estate

AR 415–15
Army Military Construction Program Development and Execution

AR 420–10
Management of Installation Directorates of Public Works

AR 420–41
Acquisition and Sales of Utilities Services

AR 420–49
Utility Services

AR 420–90
Fire and Emergency Services

AR 570–4
Manpower Management

AR 600–4
Remission or Cancellation of Indebtedness for Enlisted Members

AR 600–8–1
Army Casualty Operations/Assistance/Insurance

AR 600–8–14/AFI 36–3026(I)/Bupers Instruction 1750.10B/Marine Corps Order P5512.11C, Commandant Instruction M5512.1/Commissioned Corps Personnel Manual 29.2, Instructions 1 and 2, NOAA Corps Regulations, Chapter 1, Part 4
Identification Cards for Members of the Uniformed Services, their Eligible Family Members, and Other Eligible Personnel

AR 600–8–22
Military Awards

AR 600–20
Army Command Policy

AR 600–29
Fund-raising within the Department of the Army

AR 600–46
Attitude and Opinion Survey Program

AR 600–63
Army Health Promotion

AR 600–85
Army Substance Abuse Program (ASAP)

AR 608–1
Army Community Service Center

AR 608–10
Child Development Services

AR 614–200
Enlisted Assignments and Utilization Management

AR 623–105
Officer Evaluation Reporting System

AR 623–205
Noncommissioned Officer Evaluation Reporting System

AR 670–1
Wear and Appearance of Army Uniforms and Insignia

AR 672–20
Incentive Awards

AR 690–950
Career Management

AR 710–2
Supply Policy Below the National Level

AR 725–50
Requisitioning, Receipt, and Issue System

AR 735–5
Policies and Procedures for Property Accountability

AR 735–17
Accounting for Library Materials

AR 870–5
Military History: Responsibilities, Policies, and Procedures

AR 870–20
Army Museums, Historical Artifacts, and Art

AR 930–4
Army Emergency Relief

AR 930–5
American National Red Cross Service Program and Army Utilization

Army Directive 2003–1
Army Directive #5, Policy for Travel by Department of the Army Officials (Available at www.army.mil/usapa/index.html.)

27 CFR Part 16
Alcohol, Tobacco Products, and Firearms: Alcoholic Beverage Health Warning Statement (Available at http://www.archives.gov/federal_register/index.html.)

27 CFR Part 478
Commerce in Firearms and Ammunition (http://www.access.gpo.gov/nara/cfr/waisidx_03/24cfr478_03.html)

29 CFR Part 1910
Occupational Safety and Health Standards (Available at http://www.archives.gov/federal_register/index.html.)

49 CFR Part 830
National Transportation Safety Board (NTSIB) Safety Investigation Regulation (SIR)

CTA 50–909
Field and Garrison Furnishings and Equipment. (Available at https://webtaads.belvoir.army.mil/USAFMSA.)

CTA 50–970
Expendable/Durable Items (Except: Medical, Class V, Repair Parts, and Heraldic Items.) (Available at http://webtoads.Belvoir.army.mil/USAFMSA.)

DA Pam 25–51
The Army Privacy Program-System of Records Notices and Exemption Rules

DA Pam 385–1
Small Unit Safety Officer/NCO Guide

DA Pam 385–5
Fundamentals of Safety in Army Sports and Recreation

DA Pam 415–28
Guide to Army Real Property Category Codes

DFAS–IN Reg 37–1
Finance and Accounting Policy Implementation (Available at https://dfas4dod.dfas.mil/centers/dfasin/library/ar37–1/index.htm/.)

DFAS–IN Regulation 37–100–04
Financial Management, The Army Management Structure, FY 04. (Available at https://dfas4dod.dfas.mil/centers/dfasin/library/3710004/.)

DG 1110–3–126
Design Guide—Auto Crafts Centers. (Available at www.usace.army.mil/publications.)

DG 1110–3–120
Design Guide—Music and Drama Center. (Available at www.usace.army.mil/publications.)

DG 1110–3–142
Design Guide—Community Activity Centers. (Available at www.usace.army.mil/publications.)

DODD 1330.4
Participation in Armed Forces, National, and International Sports Activities

DOD 4160.21–M
Defense Materiel Disposition Manual. (Available at www.dtic.mil/whs/directives.)

DOD 4500.9–R
Defense Transportation Regulation (DTR) (Available at www.transcom.mil.)

DOD 4500.36–R
Management, Acquisition, and Use of Motor Vehicles. (Available at www.dtic.mil/whs/directives.)

DOD 5120.20–R
Management and Operation of Armed Forces Radio and Television Service

DOD 5500.7–R
Joint Ethics Regulation (JER). (Available at www.dtic.mil/whs/directives.)

DOD 7000.14–R
Department of Defense Financial Management Regulation, Vol. I, General Financial Management Information, Systems, and Regulations

DOD 7600.7–M
Internal Audit Manual. (Available at www.dtic.mil/whs/directives.)

DODD 1330.4
Participation in Armed Forces, National, and International Sports Activities. (Available at www.dtic.mil/whs/directives.)

DODD 7060.3
International Balance of Payments Program—Nonappropriated Fund Activities. (Available at www.dtic.mil/whs/directives.)

DODI 1000.15
Private Organizations On DOD Installations. (Available at www.dtic.mil/whs/directives.)

DODI 1015.9
Professional United States Scouting Organization Operations

DODI 1015.15
Procedures for Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources

DODI 1100.21
Voluntary Services in the Department of Defense

DODI 6050.5
DOD Hazard Communication Program

FAAR
Federal Aviation Administration Regulation, Parts 1, 65, 61, 91, 105

FAR
Federal Acquisition Regulation. (Available at www.arnet.gov/far.)

FM 3–21.220
Static Line Parachuting Techniques and Tactics (Available at www.adtdl.army.mil.)

FM 12–6
Personnel Doctrine (In addition to AKO Web site, also available from the Commandant, The Adjutant General School, Fort Jackson, SC 29207–7025.)

FM 100–17
Mobilization, Deployment, Redeployment, Demobilization. (Available at www.monroe.army.mil/publications.htm.)

IRS Pub. 1244
Employee Daily Record of Tips and Report to Employer. (Available at www.irs.gov.)

JFTR
Joint Federal Travel Regulations. (Available at www.dtic.mil/perdiem.)

OPM X–118 Handbook
The Qualification Standards for General Schedule Positions. (Available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.) (stock number 906–050–00000–4)

Public Law 100–180
National Defense Authorization Act for Fiscal Years 1988 and 1989

Public Law 100–690
The Alcoholic Beverage Labeling Act

Public Law 101–189
Military Child Care Act of 1989

Public Law 104–52
Treasury, Postal Service, and General Government Appropriation Act

TB MED 530
Occupational and Environmental Health Food Sanitation. (Available at http://chppm-www.apgea.army.mil/tbm.htm.)

TB MED 575
Swimming Pools and Bathing Facilities (Available at http://chppm-www.apgea.army.mil.)

TM 5–803–12
Planning of Outdoor Recreation Areas. (Available at www.usace.army.mil/publications.)

UCMJ
Uniform Code of Military Justice (Available at http://mjlink.jag.af.mil/ucmj.htm.)

4 USC 104
Flag and seal, seat of government, and the States: Tax on motor fuel sold on military or other reservation

5 USC 552a
Privacy Act

5 USC 552 note
Freedom of Information Act

5 USC 5514
Debt Collection Act of 1982 (Public Law 97–365)

5 USC 8101–8193
The Federal Employees Compensation Act

5 USC 8171–8173
Nonappropriated Fund Instrumentalities (NAFI) Act of 1958

10 USC 2424
Procurement of supplies and services from exchange stores outside of the United States

10 USC 2683
Armed Forces: Relinquishment of legislative jurisdiction; minimum drinking age on military installations

10 USC 2783
Nonappropriated fund instrumentalities: financial management and use of nonappropriated funds

10 USC 12301d
Reserve components, generally

15 USC 1171 and 1175
Transportation of gambling devices

17 USC 101
Copyright Law of the United States

18 USC 921–928
Gun Control Act of 1968

20 USC 107 note
Randolph Sheppard Act

26 USC
Internal Revenue Code

26 USC 3101–3128
Federal Insurance Contributions Act

31 USC 1344
Money and finance: Passenger Carrier Use

31 USC 3302
Money and finance; custodians of money

32 USC 502f
Required drills and field exercises

33 USC 901–980
The Longshore and Harbor Workers' Compensation Act

37 USC 1007
Deductions from pay

38 USC 106
Certain service deemed to be active service

38 USC 109
Benefits for discharged members of allied forces

United States Parachute Association
United States Parachute Association (USPA) Skydiver Information Manual. (Available at www.uspa.org/publications.)

RCS AG–848
Army Flying Activity Annual Status Report. This RCS is assigned to DA Form 4904, prescribed by this regulation.

RCS CFCFA–218
Approved Resources Report. This report is required by AR 37–1, paragraph 28–702.

RCS CSGPA 1701
Centralized Book Acquisition Program

RCS CSGPA 1731
Annual Child and Youth Services Report. This report can be accessed at www.Armycys.army.mil. It is user name and password restricted. To obtain authorization to access, contact USACFSC, ATTN: CFSC-CYS, 4700 King Street, Alexandria, VA 22302-4418.

RCS CSGPA 1734
School Age Services Annual Report. This report can be accessed at www.armycys.army.mil. It is user name and password restricted. To obtain authorization to access, contact USACFSC, ATTN: CFSC-CYS, 4700 King Street, Alexandria, VA 22302-4418.

RCS DD–P&R(A) 1554
Employees' Compensation and Benefits Report. This report is required by DODI 1330.20. NAF Financial Services electronically inputs data from the central payroll office individual payroll records, electronically submits the report to USACFSC, who forwards the report to DOD.

RCS DD–P&R(A) 1555
MWR Personnel Strength Report. This report is required by DODI 1330.20. A sample format and instructions for this report are contained in chapter 17, this regulation.

Section III
Prescribed Forms

The following forms are available on the APD Web site (www.apd.army.mil) unless otherwise stated. DD forms are available from the Office of the Secretary of Defense Web site (www.dior.whs.mil). DA Forms 5318, 5320–1, 5321, 5322, 5556, 5911, and 5911–1 are electronic forms and are part of the Financial Management and Budget System

(FMBS), maintained by Commander, U.S. Army Community and Family Support Center, ATTN: CFSC–IM, 4700 King Street, Alexandria, VA 22302–4409.

DA Form 3031
Qualification Card for Use of Arts and Crafts Center Equipment. (Prescribed in para 7-40.)

DA Form 3031–1
Qualification Card for Automotive Crafts Shop Equipment. (Prescribed in para 7-40.)

DA Form 3238
Request for Copyright Clearance on Musical or Dramatical Works. (Prescribed in para 8-12.)

DA Form 3542
Army Designer Crafts Contest. (Prescribed in para 8-6.)

DA Form 3680
Parade of American Music Entry Form for Army Participants. (Prescribed in para 8-12.)

DA Form 3680–1
Parade of American Music Entry Form for Army Composers. (Prescribed in para 8-12.)

DA Form 3830
NAF Bank Balances. (Prescribed in para 11-20.)

DA Form 4316
Applications for Building Insurance. (Prescribed in para 14-6.)

DA Form 4316–1
Applications for Army Flying Activity Aircraft Insurance. (Prescribed in para 14-24.)

DA Form 4722
U.S. Army NAF Vehicle Registration. (Prescribed in para 7-30.) (Available from Community and Family Support Center, CFSC-RM-1, 3rd floor, 4700 King Street, Alexandria, VA 22302–4406.)

DA Form 4762
Athlete's Application. (Prescribed in para 8-22.)

DA Form 4878
Army Chess Tournament Application. (Prescribed in para 8-21.)

DA Form 4909
Army Flying Activity Annual Status Report. (Prescribed in para 8-19.)

DA Form 4975
Army Art Contest. (Prescribed in para 8-6.)

DA Form 5318
Annual Operating Budget. (Prescribed in para 11-13.)

DA Form 5320–1
APF/NAF Five-Year Financial Plan. (Prescribed in para 11-13.)

DA Form 5321
Capital Purchases, Maintenance and Repair, and Minor Construction (Parts A-D). (Prescribed in para 11-13.)

DA Form 5322
Monthly Cash Projection Schedule (Optional Use). (Prescribed in para 11-13.)

DA Form 5462
Tip Allocation Worksheet. (Prescribed in app C.)

DA Form 5462–1
Continuation of Tip Allocation Worksheet. (Prescribed in app C.)

DA Form 5554
Labor Cost Worksheet. (Prescribed in app J.)

DA Form 5555
Weekly Labor Schedule. (Prescribed in app J.)

DA Form 5556
Personnel Requirements Document. (Prescribed in para 9-4.)

DA Form 5911
Five-Year Cash Projection Schedule. (Prescribed in para 11-13.)

DA Form 5911–2
NAF Major Construction Schedule. (Prescribed in para 11-13.)

DA Form 5911–5
Minimum Net Income Before Depreciation Schedule. (Prescribed in para 11-13.)

Section IV
Referenced Forms

The following forms are available on the Army Electronic Library CD-Rom and the APD Web site (www.apd.-army.mil) unless otherwise stated. DD Forms are available from the Office of the Secretary of Defense Web site (www.dior.whs.mil.) LS forms may be obtained from the insurance carrier at RSKCO, PO Box 163986, Austin, TX 78716.

DA Form 11–2–R
Management Control Evaluation Certification Statement

DA Form 285
U.S. Army Accident Report

DA Form 1991
Stock Record Card

DA Form 1992
NAF Receipt Voucher

DA Form 1994
Petty Cash Voucher

DA Form 2062
Hand Receipt/Annex No.

DA Form 2107
NAF Receipt and Disbursement Voucher

DA Form 2600
Referral and Selection Register

DA Form 3161
Request for Issue or Turn-in

DA Form 4017
Request for Personnel Action Nonappropriated Fund Instrumentality

DA Form 4067–R
Order for Supplies or Services/Request for Quotations (NAFs)

DA Form 4082
Daily Cashier's Record

DA Form 4083
Vending and Amusement Machine Collection

DA Form 5163
Nonappropriated Fund Central Payroll System Tips, Service Charges, and Meals Report

DD Form 4/1, 4/2, 4/3
Enlistment/Reenlistment Document Agreement-Armed Forces of the United States

DD Form 250
Material Inspection and Receiving Report

DD Form 448
Military Interdepartmental Purchase Request

DD Form 1150
Request for Issue or Turn-in.

DD Form 1348
DOD Single Line Item Requisition System Document (Manual). (Available through normal forms supply channels.)

DD Form 1391 (Processor)
Military Construction Project Data

DD Form 1844
List of Property and Claims Analysis Chart

IRS Form 1096
Annual Summary and Transmittal of U.S. Information Return. (Available at www.irs.gov.)

IRS Form 1099–Misc
Miscellaneous Income. (Available at www.irs.gov.)

IRS Form 4070
Employees Report of Tips to Employers. (Available at www.irs.gov.)

IRS Form 8027
Employer's Annual Information Return of Tip Income and Allocated Tips. (Available at www.irs.gov.)

LS Form 1
Request for Examination and/or Treatment

LS Form 202
Employers' First Report of Injury or Occupation Illness

LS Form 210
Employer's Supplementary Report of Accident or Occupational Illness

LS Form 242 (NF)
Notice of Workers' Compensation Benefits

LS Form ES–931
Request for Wage and Separation Information

OF 346
U.S. Government Motor Vehicle Operator's Identification Card. (Available at http://contacts.gsa.gov/webforms.nsf.)

OF 612
Optional Application for Federal Employment. (Available at http://contacts.gsa.gov/webforms.nsf.)

SF 50
Notification of Personnel Action. (Available at http://contacts.gsa.gov/webforms.nsf.)

SF 52
Request for Personnel Action. (Available at http://contacts.gsa.gov/webforms.nsf.)

SF 700
Security Container Information. (Available at http://contacts.gsa.gov/webforms.nsf.)

SF 1094
U.S. Tax Exemption Form. (Available at http://contacts.gsa.gov/webforms.nsf.)

SF 1169
U.S. Government Transportation Request. (Available at http://contacts.gsa.gov/webforms.nsf.)

ATF Form 4473
Firearms Transaction Record. (Available from www.atf.gov/forms/5000.htm.)

Appendix B
Morale, Welfare, and Recreation Board of Directors (MWR BOD)

B–1. MWR BOD
Table B-1 contains the composition and basic responsibilities of the MWR BOD. Detailed responsibilities and functions are contained in the MWR BOD charter.

Table B–1
Morale, Welfare, and Recreation Board of Directors (MWR BOD)

Board	Composition (Chair is senior ranking military officer)	Responsibilities
Mission: Develop program, resource, and finance strategies; develop short- and long-term goals and objectives; establish implementing plans and performance measures; maintain corporate MWR and lodging oversight including fiduciary responsibility.	ASA(M&RA) CDR, USFK CDR, U.S. Forces Command CDR, TRADOC CDR AMC CDR, USAREUR CDR, USARPAC SMA Executive Secretary: DCS G-1 (non-voting) Asst Exec Secretary: CDR, CFSC (non-voting)	Approves major management initiatives Reviews Executive Committee actions as necessary Retains fiduciary responsibility Determines goals and objectives for Army MWR programs and operations Establishes program, resource, and finance strategies for Army MWR programs and operations Establishes and monitors implementing plans and performance measures for Army MWR programs and operations Prioritizes NAFMC projects and establishes funding levels for inclusion in the Army's overall construction program

B–2. Committees, subcommittees, and boards
MWR BOD subordinate committees as determined necessary by the MWR BOD are outlined below. The composition, functions, and responsibilities of each committee are contained in the MWR BOD by-laws. The committees include—

a. Executive Committee. This committee—

(1) Approves major issues for presentation to the MWR BOD.

(2) Acts on behalf of the MWR BOD as needed.

(3) Approves MWR/lodging goals, management initiatives, and programs.

(4) Reviews and approves implementing strategies.

(5) Evaluates performance for goal attainment.

b. Finance Committee. This committee—

(1) Recommends financial management actions/implementation.
(2) Reviews summary reports/trends.
(3) Develops overall investment strategy.
(4) Reviews and approves Investment Subcommittee plans.
(5) Recommends NAF resource allocation.
(6) Reviews and recommends financing plans.

c. Audit Committee. This committee—

(1) Identifies vulnerable MWR/lodging programs or systems for audit consideration.
(2) Advises management of significant audit results.
(3) Directs follow-up for compliance.
(4) Monitors MWR/lodging management system of internal controls.

d. Strategic Planning Committee (SPC). This committee—

(1) Develops long- and short-term goals.
(2) Recommends implementation plans and measures of performance.
(3) Reviews goals and plans for alignment with corporate objectives.
(4) Ensures linkage with budget.

e. Investment Subcommittee. This is a subcommittee of the Finance Committee. It—

(1) Proposes investment implementation plan.
(2) Develops and analyzes investment implementation options and submits recommendations for Finance Committee review.
(3) Evaluates investment performance

f. MWR Working Group (MWRWG). This group develops working level issues and recommendations for the SPC and FC.

g. Capital Investment Review Board. This Board reviews and prioritizes projects for the SPC.

h. Configuration Control Board. This Board prepares issues related to MWR Enterprise Information Systems Architectures for the MWRWG.

Appendix C
Tip Allocation/Reporting Requirements

C–1. Tax liability

a. Food and beverage activities keep records on gross food and beverage sales and tips reported by employees. If employees do not report tips equal to 8 percent of gross food and beverage sales, the employing NAFI assumes that employees received tips of 8 percent or the difference between 8 percent and the amount actually reported. This information is reported to the IRS on each employee's W-2 statement. The employee is liable for income taxes on the reported amount.

b. Tip allocation requirements apply to all NAF food or beverage service operations located in the 50 States and District of Columbia. Managers should identify each separate type of service provided, such as bars, buffets, formal dining rooms, or snack bars, since applicability of tip allocation procedures is determined by type of service.

C–2. Definitions

a. Tip. Any amount paid to an employee at the option of the customer. It may be paid in cash directly to the employee or entered as a separate item on a credit card sales slip. Tips charged on credit cards may be either paid to the employee immediately from available cash or reported to the payroll office and added to the next paycheck, as determined by the employing NAFI.

b. Service charge. A percentage of the total charge for food and beverages automatically added to each customer's bill and subsequently distributed by the employing NAFI to all eligible employees. It differs from a tip in that the charge is automatic and not a customer option. Service charge distributions to employees are considered cash wages for which the employing NAFI is liable for withholding and FICA taxes.

c. Gratuity. Either a tip or a service charge, depending on whether the amount is voluntarily contributed by the customer or automatically added to food and beverage charges.

d. Tip offset. The amount an employer may reduce a tipped employee's wages to offset the amount of tips reported while meeting minimum wage requirements. The practice is not available in all States and implementation varies among the States, in which it is allowed. Although NAFIs are generally immune from State laws, as discussed in chapter 3, tip offsets should not be implemented without prior clearance from the installation SJA. Tip offset is different than tip allocation; however, amounts offset would be reportable under allocation.

e. Tip allocation. Procedures used by employing NAFIs to allocate tip income equitably among affected employees

when the amount of tips reported does not equal or exceed 8 percent of gross sales. Resulting tip income amounts are reported to the IRS.

C–3. Tip allocation

a. Tip allocation procedures apply only to employees who receive tips directly from customers. This includes arrangements where tips are pooled and subsequently divided among participating employees.

b. Tip allocation requirements do not apply to indirectly tipped employees, such as cooks, busboys, and helpers who receive a portion of tips collected either directly from employees receiving tips or through tip pools. Although indirectly tipped employees are not subject to tip allocation procedures, tip reporting requirements apply.

C–4. Employee reporting requirements

a. Employees who receive tips of $20 or more in any month are personally responsible for reporting as stated below.

(1) To the employing NAFI, for the purpose of determining if tip allocation procedures must be implemented. Tip allocation is required if the total amount of tips reported does not equal or exceed 8 percent of gross sales.

(2) On Federal and State income tax returns, regardless of amount. Failure to declare tip income may subject the employee to audit, interest, penalties, and other sanctions as provided by the Internal Revenue Code and applicable State law.

b. Except for charged tips paid immediately from available cash, employing NAFIs that collect gratuities in any form are responsible for reporting all types of gratuities, whether tips or service charge distributions, to the payroll office.

c. Regardless of reporting requirements described above, each employee is ultimately responsible for maintaining adequate records of tips received. IRS Publication 1244 (Employee's Daily Record of Tips and Report to Employers) and IRS Form 4070 (Employee's Report of Tips to Employers) have been developed for this purpose and can be used to report tip income to the employing NAFI. The employee portions of IRS Pub 1244 are generally sufficient to prove tip income in the event of a tax dispute. Otherwise, the amount of tip income will be determined by the IRS.

d. Copies of IRS Pub 1244 and IRS Form 4070 may be obtained from the IRS Forms Distribution Center at the address provided in DOD 7000.14, volume 13.

C–5. Payroll procedures

The payroll office is responsible for the functions stated below.

a. Including all tips not received immediately by employees in their next paycheck. (Income from tips is considered income to the individual and is not subject to withholding.)

b. Including all distributions from service charges in the employee's next paycheck. (Income from service charges is considered income to the employing NAFI and is subject to the same Federal, State, and Social Security (FICA) tax withholding requirements as any other income. The distribution paid to employees therefore is the net entitlement after withholding.)

c. Listing payments of gratuities of all types, whether tips or service charge distributions, as "other income"on employee pay statements.

d. Reporting the total amount of gratuities paid to each employee in each calendar year to the IRS, in accordance with applicable IRS rules.

C–6. Allocation criteria

Food and beverage activities that are not exempted from tip allocation requirements under the provisions of paragraph C–7 allocate tips among all directly tipped employees whenever the total amount of tips reported does not equal or exceed 8 percent of gross food and beverage sales. If the amount of tips reported equals or exceeds 8 percent, no allocation is required.

C–7. Exemptions

a. The types of food or beverage activities that are generally exempt from tip allocation requirements are listed below.

(1) Cafeterias.

(2) Snack bars without table service.

(3) Buffets.

(4) Party contracts with a service charge of 10 percent or more.

(5) Any other food or beverage service with a service charge of 10 percent or more.

b. The following types of activities that are automatically exempted are stated below.

(1) Those that do not allow tipping.

(2) Those with tip rates of less than 2 percent of gross sales.

C–8. Requests for lower tip allocation rates

Managers of activities that consistently generate tips of more than 2 percent but less than 8 percent of gross sales may apply to the IRS to reduce the allocation rate from 8 percent to a level consistent with actual tips received. To apply—

a. Determine the average tip rate based on charge receipts and other available data.

b. Request a reduction in the tip allocation rate by letter addressed to the District Director of the servicing IRS District Office, with the following supporting information, as a minimum.

(1) Actual tip rate and supporting data.

(2) Description of the food or beverage service activity.

(3) Menu prices.

(4) Location.

(5) A description of the food or beverage operation that clearly indicates the level of self-service activities.

(6) Days and hours of operation.

(7) Method of payment.

(8) Allocation rate requested.

(9) Copies of IRS Form 8027 (Employer's Annual Information Return of Tip Income and Allocated Tips) for the last three years.

c. The IRS District Director will approve or disapprove the request or require additional information. Approval of request will state the allocation rate and the period for which it is valid.

d. A single application may be filed in the case of two or more activities on the same installation that experience similar tip rates.

C–9. Allocation methods

Tip allocation may be based on either of the methods specified in this paragraph. The method should be implemented at the beginning of the calendar year and not changed during the remainder of the year.

a. Total sales method. This is the preferred method and involves maintaining records of total sales by each affected employee.

b. Hours worked method. This method allocates tips proportionally among affected employees, based on hours worked. Generally, this method is used by activities that do not have the capability of recording total sales by each employee.

C–10. Allocation procedure

Tips are allocated based on a mathematical formula prescribed by the IRS and integrated into DA Form 5462 (Tip Allocation Worksheet) and DA Form 5462–1 (Continuation of Tip Allocation Worksheet).

a. DA Form 5462 must be used to calculate tip allocations distributed among affected employees.

b. Data collected on DA Forms 5462 and 5462–1 for each year is compiled and entered on IRS Form 8027 at the end of each year. IRS Form 8027 is filed annually with the servicing IRS District Office by the last day of February for the previous calendar year.

c. Detailed instructions for completing DA Forms 5462 and 5462–1 are found at www.armymwr.com or may be requested from USACFSC.

C–11. Employer identification number

Each food and beverage activity must have a unique 15-digit Employer Identification Number (EIN) for tip allocation purposes. The number identifies each specific reporting activity and the nature of its food and beverage operations, as follows:

a. The first nine digits identify the employer.

b. The 10th digit identifies the nature of the food and beverage operations from among the following categories. Generally clubs will be assigned a 2 or 3 as the 10th digit; other activities will be assigned a 3 or 4.

(1) Serves only dinner.

(2) Serves dinner and other meals.

(3) Serves meals other than dinner.

(4) Serves alcoholic beverages with only incidental or no food service.

c. The last five digits are assigned by the reporting activity, beginning with 00001, and used to identify separate operating locations of the same reporting activity, such as annexes, or to differentiate between different operating elements of the same reporting activity, such as the formal bar, informal bar, dining room, and other functional area of the same club. An example is the EIN (10 digits) plus 00001 for the bar and 00002 for the dining room of an officers' club.

Appendix D
APF Authorizations for elements of expense

D–1. Funding

MWR activities are resourced from either appropriated funds or nonappropriated funds or a combination of both. NAF expenditures for valid MWR purposes are not an augmentation of appropriations.

D–2. Certification of nonavailability

NAFs will not be used for authorized APF expenditures, unless authorized APFs are not available. Certification of nonavailability must be obtained from the responsible resource office. Additional funding policies are outlined in chapter 4 of this regulation.

Table D–1
Funding authorizations

Expense elements	MWR category		
	Authorized (A) or Not Authorized (N)		
	A	B	C[1, 2]
1. Military personnel.			
a. Permanent assignment. Active duty military personnel assigned and used on a full-time permanent basis (see chap 9 and AR 570–4). (Does not include trainees and unassigned personnel.)			
(1) To perform ECECS functions.	A	A	A
(2) When required to support wartime or contingency operations or for overseas rotation (see AR 570–4).	A	A	N
(3) Lifeguard position at a swimming pool.	A	N	N
b. Temporary or special duty assignment. Active duty military personnel assigned and used on a temporary special duty (borrowed military manpower or troop diversion) basis to perform duties or functions primarily associated with MWR programs and activities for no more than 90 days (see chap 9). Such assignments may be made only when mobility or deployment requirements occur and when training to upgrade or maintain essential military skills cannot be provided through other means. The training assignment applies only for category A and B MWR activities. (See also ARs 570-4 and AR 614-200 pertaining to utilization of military personnel.) This includes personnel whose standard costs are charged to an operating activity other than MWR, but who have no assigned duties at the operating activity during the period of their temporary assignment to an MWR activity. (Enlisted personnel may be employed during non-duty hours as part-time NAF employees per AR 215–3.)	A	A	A
2. Civilian personnel (see chap 9).			
a. Full-time and part-time assignment			
(1) Performing executive control and essential command supervisory functions and common support functions at higher HQ, IMA Region, and installation levels (includes technical guidance and assistance in preparing budgets; financial and analytical data required for command management and DOD Financial and Personnel Management Report).	A	A	A
(2) Personnel performing managerial and supervisory functions.	A	A	N
(3) Base realignment and closure (BRAC)-related costs for NAF and APF employees.	A	A	A
(4) Personnel directly or primarily involved with resale.	N	N	N
(5) For any other functions.	A	A	N
*b.*Additional/collateral duties. When less than 25 percent of duties are NAF or MWR specific, no cost should be allocated to the NAFI or MWR program.	Same as 2*a*, above.		
3. CPO support.			
a. Advice and counsel provided to assist in NAF personnel management.	A	A	A
b. Personnel management costs necessary for the day-to-day administration of NAF employees, if the workload can be absorbed within existing APF CPAC resources and requires no incremental cost increases or additional staffing. Functions include, but are not limited to, recruitment, placement, position reclassification, salary and wage administration, training, records maintenance, employee relations, and related matters.	A	A	A
4. Travel of personnel.			

Table D–1
Funding authorizations—Continued

Expense elements	MWR category		
	Authorized (A) or Not Authorized (N)		
	A	B	C[1, 2]
a. Permanent change of station (PCS).	Same as 2a, above		
*b.*Temporary duty (TDY) travel.			
(1) For military personnel and APF civilian employees employed by, assigned or detailed to MWR programs and activities.	A		A
(2) NAF employees when travel relates solely to the internal operating and administrative functions required to be funded with NAFs.	N	N	N
(3) For NAF employees, regardless of position or MWR category, when travel is for a Government purpose related directly to functions authorized APF support.	A	A	A
(4) For military personnel and APF civilians attending training sessions for athletes, coaches, or officials when such attendance is for the benefit of the command and when they, upon return from such training, will train other personnel.	A	A	A
(5) For participants in unit and intramural MWR sports programs (see chap 8).	A	N	N
(6) For participants (to include ECECS) in national and international sports competitions and other events specifically authorized by statute or directed by DOD (see chap 8). Restriction does not preclude space-available travel by participants in other athletic, recreation, and entertainment MWR program events. Use of NAFs is prohibited in categories A and C. NAFs may be used for Category B competitions when APFs authorized for events sanctioned by statute are documented insufficient and for other competitive events budgeted by USACFSC (see chap 8).	A	A	N
5. Use of Government-owned, motor pool- controlled or Government-contracted passenger vehicles.			
a. To assist in ECECS.	A	A	A
b. Other than to assist in ECECS. When not authorized, use of a reimbursable lease is allowed. (Limitations apply, see chap 7.)	A	A	N
6. Transportation of things.			
a. Items purchased with APFs. Applies to transoceanic and inland transportation of U.S. or foreign goods. NAFs authorized under emergency conditions and when APF transportation is not available.	A	A	A
b. Items purchased with NAFs.			
(1) Transoceanic of U.S. and foreign goods. Applies to movement of goods to and from CONUS sea and aerial ports of debarkation to first destination OCONUS (refers to second destination charges), including Alaska and Hawaii, and to the first foreign destination (refers to delivery address, not the port where the goods are offloaded), including Guam and U.S. overseas territories, for goods stocked and redistributed or procured from Alaska and Hawaii. Includes excess personal property. (See chap 7).	A	A	A
(2) Movement of U.S. and foreign goods within foreign areas where commercial transportation is not readily available and in combat zones. Includes the movement of goods to isolated locations. NAF must reimburse for category C activities except in BRAC and isolated locations authorized APFs.	A	A	A
(3) Movement of U.S. goods between DOD installations due to base closures or to safeguard goods under emergency conditions such as threat of hostile force or natural disasters.	A	A	A
(4) Movement of U.S. goods within foreign countries from port of embarkation to first destination or bulk breakdown point. Includes movement of goods to isolated locations. Authorized in categories B and C MWR activities only when NAF will reimburse (except at BRAC and isolated locations that are authorized APFs).	A	A	A
(5) Movement of foreign goods within foreign countries from port of embarkation to first destination or bulk breakdown point.	A	A	A
c. Employee household goods.			
(1) APF personnel. NAFs not authorized.	A	A	A
(2) NAF personnel. Initial APF funding authorized for NAF personnel employed in categories B and C activities only when NAF will reimburse, except at BRAC locations where all categores are authorized APFs.	A	A	A
7. Utilities and rents.			

Table D–1
Funding authorizations—Continued

Expense elements	MWR category		
	Authorized (A) or Not Authorized (N)		
	A	B	C[1, 2]
a. Utilities. Water, gas, electricity, air conditioning, and other utility services for buildings on military installations authorized to be used for MWR purposes and other MWR activities for members of the Armed Forces. Sewage disposal and garbage and trash removal are not considered utilities under this element of expense (see para 12g). Also includes purchase, installation, and maintenance of metering devices.	A	A	A[5,7]
b. Rents. The use and possession of non-DOD lands, buildings, and other improvements and installed equipment for a specified period through contracts, lease agreements, or other legal instruments when authority is granted through appropriate channels. Authorized per AR 405–10. NAFs not authorized for categories A and B activities in CONUS. Use of NAFs for limited term leasing of recreational facilities is authorized for category C per chapter 4.	A	A	N
8. Communications.			
a. Electronic communications. Electronic communications for example, telephones, teletype, televisions, fax, modem; Defense Service Network (DSN), automatic Data Information Network (AUTODIN); on-base telecommunications cable; other electronic media.			
(1) Supporting ECECS and oversight functions such as statistical data gathering and reporting and for communications with other DOD and Government agencies.	A	A	A
(2) Other than above. NOTE: APFs are not authorized for procurement of items for resale of goods and services or collection of resulting income, regardless of category.	A	A	N
b. Postage and postal service.			
(1) For official mail. Any material transmitted through domestic, international, or military postal channels that relates exclusively to U.S. Government purposes, such as official communications with and between Government agencies/individuals, communications with commercial agencies and communications related to common support functions. NOTE: APFs are not authorized for resale of goods and services or collection of resulting income, regardless of category.	A	A	A
(2) For unofficial mail. The transmission of any material that relates exclusively to a similar commercial business operation, such as inventory procurement and sales, collection of income, advertising, NAF equipment maintenance,etc. (Does not preclude use of APO/FPM for unofficial mail.)	N	N	N
9. Printing and reproduction. The cost of printing and reproduction services done on printing presses, lithography, and other duplicating related to binding operations, photography, microfilming, formats and forms development, editing and graphics (see AR 25–30).			
a. Related to ECECS functions. NOTE: Printing request must explain how the material to be printed relates to ECECS functions.	A	A	A
b. Publicity. (Category C MWR activities may use Army printing facility if commercial reproduction services are not available and must reimburse with NAFs.)	A	A	N
c. Sale of goods. Related directly to the sale of goods and services and/or only category C MWR activity internal operations.	N	N	N
d. All others.	A	A	N
10. Equipment.	A	A	N
a. Investment equipment. The acquisition or use of investment equipment with a unit cost of $100,000 or more. Investment equipment in support of food preparation equipment and the use of surplus or excess equipment is authorized in category C. Does not include equipment installed in and made a part of a facility when the cost is properly chargeable as a construction cost.	A	A	N
b. Other equipment. The acquisition of any equipment, furniture, or furnishings with a unit cost of less than $100,000, including the rental of such equipment. Does not include the cost of any item of equipment installed and made a part of a facility when the cost is properly chargeable as a construction cost. (See CTA 50–909.)			
(1) Required for ECECS.	A	A	A
(2) Government surplus or excess.	A	A	A
(3) Related to resale and equipment rental.	N	N	N
(4) All other.	A	A	N

Table D–1
Funding authorizations—Continued

Expense elements	MWR category		
	Authorized (A) or Not Authorized (N)		
	A	B	C[1, 2]
11. Equipment maintenance. Maintenance, repair, overhaul of equipment either authorized on table of allowances or on loan to MWR activities.			
a. APF.	A	A	A
b. NAF.	N	N	N
12. Other services.			
a. Education and training. Army-sponsored courses at schools, seminars, conferences, or private institutions may be funded with either APFs or NAFs for all MWR personnel, assigned to or employed by MWR activities, except that Category C NAF employees are only authorized APF support at courses that are not job unique, such as management and/or leader development courses; quality training; health and safety; sexual harassment; and other such training. NAFs pay for education and training costs of NAF employees at Government training if there are cost increases or additional staffing requirements incurred by the training institution as a result of training NAF employees which cannot be absorbed within existing resources, or if a fee is regularly charged attendees. Use of an established course quota by NAF employees does not constitute an incremental cost or incur additional staffing.	A	A	A
b. Data automation.			
(1) ADP development or operations (personnel, equipment, supplies) needed for ECECS functions and/or up-channel reporting (see AR 25–1).	A	A	A
(2) All other.	A	A	N
c. Legal services. Legal services provided by judge advocates at all command levels. Includes internal civilian staff as integral element of MWR.	A	A	A
d. APF contracting office assistance and administration.			
(1) Assistance. Technical advice and assistance provided by the contracting office to assist MWR management in the procurement of goods and services with APFs or NAFs.	A	A	A
(2) Administration. Functions such as source development, preparation of documents, negotiation of prices, contract administration and audit, and related functions performed by the contracting office in the procurement of goods and services with NAFs, when the number of actions can be absorbed within existing resources, there are no incremental cost increases, or additional staffing. Existing APF contracts may be used for NAF funded procurement.	A	A	A
e. Auditing services. Relates to the independent examination, review, and evaluation of records, controls, practices, and procedures in the area of financial and operational management of MWR activities by DOD or Army audit organizations or independent public accountants, per AR 11–7.	A	A	A
f. Custodial and janitorial service. Personnel, supplies, and equipment provided by the installation engineer, public works department, or Government contractor.	A	A	N
g. Indirect support services. Services normally supplied as a command function and associated with protecting the health and safety of participants, employees, and MWR activities. Such services include, but not limited to, fire protection, including acquisition and installation of extinguishers and sprinkler and alarm systems; security protection, including physical security of buildings, such as alarm systems and security bars and protection of funds; pest control; sewage disposal; garbage and trash removal; snow removal; safety; rescue operations; repair and cleanup of underground storage tank leaks, environmental compliance; maintenance of common grounds; medical, veterinary, and sanitary inspections; authorized veterinary care, including the cost of drugs, biologicals, and medical supplies administered by veterinary health services personnel to Government-owned animals used by MWR activities (see AR 40–905). NAFs are authorized only for the cost of drugs used in providing veterinary care, with reimbursement per FAR procedures.	A	A	A
h. Maintenance and repair. Maintenance, including preventative maintenance, applies to upkeep to preserve a facility and its installed equipment/systems and premises. Repair applies to the overhaul/restoration/replacement of all deteriorate component parts (roof, foundation, floors, walls, and so on). (See AR 420–10 and the Glossary at the end of this regulation for a more detailed explanation of the terms 'maintenance' and 'repair.')			
(1) Facility maintenance necessary to—			

Table D–1
Funding authorizations—Continued

Expense elements	MWR category		
	Authorized (A) or Not Authorized (N)		
	A	B	C[1, 2]
(a) Perserve real property facilities and prevent premature failure or wearing out of system components (electrical, mechanical, heating, airconditioning, plumbing, roofing, foundations, doors, windows, etc.) or damage to the facility interior resulting from failure of a facility system or to meet health and safety requirements, etc.	A	A	A
(b) Prevent or correct all life safety deficiencies (fire, safety, environmental).	A	A	A
emsp;(c) Ensure the structure is sound and building components (such as roofing, foundations, ceiling, floors, walls, windows, doors, etc.) function as they were intended to function.	A	A	A
(d) Correct defects to installed building equipment and systems (such as plumbing, heating, ventilating, cooling, air conditioning, electrical fire protection, and security, etc.).	A	A	A
(e) Perserve the existing exterior of a facility.	A	A	A
(2) Facility repair, including day-to-day, periodic, or scheduled work to keep facilities in operational condition. Includes interior maintenance and repair such as painting; repair/replacement of wallpaper, lighting fixtures, carpeting; redecoration; repair, replacement, and preventative maintenance or overhaul of equipment/systems not classified as 'installed;' cleaning; and other such work.			
(a) APF-owned and/or leased.	A	A	A
(b) NAF-owned and/or leased (when not transferred to the Government).	N	N	N
(3) Routine grounds maintenance. Common grounds, lawn shrubbery, flowers, landscaping, picnic and park areas (on installation or off installation recreation sites).	A	A	A[3]
13. Supplies and equipment. Expendables that are consumed or lose their identity when used, or whose low value does not require the same accountability required for equipment. Includes clothing, tentage, organizational tools, administrative and housekeeping supplies (other than in 12*f*, above) petroleum, oil, and lubricants (POL), preservatives, coolants, and oil derivatives (other than para. 14, below), and items available in self-service supply outlets (CTA 50–970).			
a. Related to ECECS (see AR 710–2 for POL).	A	A	A
b. Related to sales/rentals.	N	N	N
c. Food supplies for meals served in child development and youth programs.	N	A	N
c. Supplies not covered in a, b, and c above.	A	A	N
14. Aircraft and boat POL. POL, including fuel additives, consumed by MWR aircraft and boats. Does not include personnel travel costs or transportation of things. MWR activities can purchase POL from Government sources in accordance with AR 710–2.	N	N	N
15. Other operating expenses. Resources not otherwise provided such as investments, loans, grants, subsidies, contributions, insurance claims and indemnities, interest and dividends, royalties, and payments instead of taxes, if such resources are included in appropriations. Authorized for costs incurred incident to ECECS, statute, or directed by DOD.	A	A	
16. Nonoperating expenses.			
a. Architectural and engineering services. Professional services including consultation, preparation of preliminary studies, analyses, cost estimates, working drawings, specifications, interior design and decoration, and the inspection and supervision of services required for the construction, alteration, or repair of real property facilities.			
(1) Projects scheduled for construction with APFs.	A	A	A
(2) Projects scheduled for construction with NAFs, if no additional personnel are required.	A	A	A
b. Common support. Consolidated functions supporting more than one MWR activity, but not solely for category C activities (see chap 4).	A	A	A
c. Purchase of real property. Acquisition cost of land, buildings, and other fixed improvements when approved by Congress. Use of existing Government facilities authorized. Use of NAF not authorized except for purchase of commercially-owned buildings located on Government property.	A	A	A

Table D–1
Funding authorizations—Continued

Expense elements	MWR category		
	Authorized (A) or Not Authorized (N)		
	A	B	C[1, 2]
17. Merchandise, service, and equipment for sale or rental. Pertains to merchandise, services, and equipment procured by an MWR activity for sale or rent to authorized persons. This does not preclude an APF employee from selling NAF procured MWR resale merchandise when such merchandise is limited, such as snacks, soft drinks, fruit juice at a fitness facility or a situation in a category B MWR activity where both or either a NAF and/or APF employee rents both APF and NAF equipment (see chap 7).	N	N	N
18. Awards of trophies and similar devices.			
a. Costs of trophies, plaques, and similar items that recognize the accomplishments of soldiers in athletic and intramural competitions (see chap 4 and AR 600–8–22).	A	A	N
b. Costs of plaques, trophies, and other such award devices acknowledging participation and/or competition in MWR contests, youth sports programs, and other MWR activity competitions accomplished by authorized MWR patrons.	A	A	N
19. Construction. Includes minor and major construction. (See definitions for the terms: construction, major construction, and minor construction in the glossary at the end of this regulation. Also see appendix E for matrix on MWR activity construction funding.)	A	N[4/6]	N[6]

Notes:

[1] At designated remote and isolated locations (see table 4-1), category C MWR activities (excludes golf courses) may receive APF operating support equal to category B activities.

[2] AFRC lodging, food, and beverage operations and other resale activities are category C MWR activities. Categories A and B individual programs and services which are located within AFRC facilities may receive APF support equal to their A or B categorization.

[3] Use of APF for grounds maintenance of golf courses (the defined playing and practice areas) and their systems (irrigation, electric) is prohibited. This does not exclude using APFs for maintenance and repair of pro shops, club houses, or any other supporting facility which supports the MWR golf program, if done in accordance with the rules for other category C MWR activities.

[4] APFs are authorized for Youth Services OCONUS only, and required for CDCs.

[5] NAFs authorized for category C costs in CONUS when APFs are not available. NAFs not authorized for category A and B costs in CONUS and any category A, B, or C costs OCONUS. Rates charged will not include incremental or prorated share of overhaul, maintenance, and repair to utility systems or capital investments in the installation's utility infrastructure systems, unless otherwise specified in sales agreements, MOAs, or ISSAs. See AR 420-41 pertaining to sales agreements and DPW reimbursable support.

[6] See paragraph 10–6, this regulation, for the only authorized use of APFs.

[7] Not authorized for golf courses inside the 50 United States except for isolated and remote sites located in the 50 United States (10 USC 2494 and 10 USC 2491a).

Appendix E
Construction Funding for military MWR facilities

E–1. Construction projects

The funding source for construction projects includes both minor and major construction.

E–2. Funding

Construction funding by category for military MWR facilities is show in table E–1.

Table E–1
Construction funding for military MWR facilities[1]

	Funding sources	
Facility Type (by MWR category)	APF	NAF
Category A (Use of NAFs not authorized except at CACs, see footnote 2)		
Administrative Office/Supply Centers	X	
Aquatic Training/Aerobic/Bathhouse facilities for military training, physical fitness, combat training, and/or therapy	X	
Community Activity Centers	X	X[2]
Auditoriums/Theaters/Multipurpose Recreation Facilities	X	
Gymnasiums/Fieldhouses	X	

Table E–1
Construction funding for military MWR facilities[1]—Continued

	Funding sources	
Facility Type (by MWR category)	APF	NAF
Libraries	X	
Parks and Picnic Areas	X	
Playing Courts and Fields (associated with physical conditioning)	X	
Physical Fitness Facility Complexes	X	
Recreation Centers/Day Rooms	X	
Category B		
Arts and Crafts Skill Development Centers		X
Automotive Crafts Skills Development Centers		X
Bowling Centers (12 lanes or less)		X
Campgrounds (designed for small vehicles, trailers, and tents)		X
Car wash facility (self-help)		X
Child Development Centers	X	
Entertainment Centers (music and theater)		X
Marinas/Boathouses (without resale or private boat berthing marinas/Boathouses (without resale or private boat berthing)		X
Outdoor Theaters/Pavilions		X
Playing Fields/Courts		X
Recreation Equipment Checkout Centers		X
Information, Ticketing, and Registration Facility		X
Riding Stables (Government-owned animals/equipment)		X
Skating Rinks (ice or roller)		X
Stars and Stripes Facilities		X
Swimming pools/bathhouses (recreation/lap)		X
Youth Services Centers/Courts/Playing Fields	X[3]	X
Category C		
Aquatic centers (club membership pools, pools equipped with aquatic slides, waves, fountains, etc.		X
Army-operated Armed Forces Recreation Centers		X
Amusement/Recreation Machine Locations		X
Bookstores (academic/recreational)		X
Bowling Centers (over 12 lanes)		X
Campgrounds/Travel Camps (designed and used for large vehicles/overnight lodging/private recreational vans and trailers)		X
Car wash facility (other than self-help)		X
Equipment Rental/Sales Centers		X
Flying Activity Facilities		X
Food, beverage, and entertainment and Theme facilities		X
Golf Courses/Facilities		X
Leisure Travel Facilities		X
Marinas/Boathouses (with retail sales and/or private boat berthing)		X
Military Clubs (Community, Consolidated, Enlisted, Officer)		X
Motorcycle and Moped Tracks		X
Outdoor Theaters		X

Table E–1
Construction funding for military MWR facilities[1]—Continued

	Funding sources	
Facility Type (by MWR category)	APF	NAF
Resale Outlets (also includes facilities for which AAFES has primacy but has permitted MWR to operate per resale policy in chap 7.)		X
Rod and Gun Facilities		X
Riding Stables (with boarding of private mounts)		X
Shooting sports centers		X
Snack Bars/Beverage Stands		X
Sport Parachuting Facilities		X
Temporary Housing Facilities (cabins, cottages, recreation housing/lodges/guest houses)		X

Notes:
[1] Minor and major construction are funded from the same source. Notwithstanding requirements to use NAF funding identified in this appendix, APF construction funding may be authorized under the circumstances outlined in chapter 10.
[2] If a CAC contains activities that are authorized NAF for construction, NAFs may be used to fund construction of the CAC.
[3] Overseas, YS

Appendix F
Standard Nonappropriated Fund Number (SNN)

F–1. Requirement

A 12-digit SNN is assigned to each Army NAFI and used for administrative purposes. DA assigns the first three digits. The remaining digits are assigned by the installation to reflect the management and financial structure of the NAFI. The entire 12-digit field is not required for most purposes. Accounting transactions are coded to the general ledger account code (GLAC) level. Insurance and employee benefits programs require only the first three digits to identify transactions. Insurance claims are coded to the program code. All payroll and personnel action transactions are coded to the department level.

F–2. Explanation

a. The first and second characters identify the installation or other location and the third character identifies the type of fund. These SNNs are found at the MWR web site www.armymwr.com (under Financial Management).

b. The fourth and fifth characters identify the program. These codes are contained in the USACFSC MWR and Army Lodging NAFI Financial Management Operating Guidance (annual budget instructions) and are posted on the MWR web site.

c. The sixth and seventh characters are location codes assigned locally.

d. The eighth and ninth characters identify the department code. These codes are contained in the annual budget instructions issued by USACFSC and posted on the MWR web site.

e. The tenth, eleventh, and twelfth characters identify the GLAC, which are governed by DOD 7000.14–R, volume 13 and are also contained in the annual budget instructions issued by USACFSC and are posted on the MWR web site.

F–3. Assignment

a. The basic three-character code (garrison and fund) is used to identify each NAFI worldwide and will be assigned only by USACFSC (CFSC-FM). Requests to establish NAFIs are submitted to Commander, U.S. Army Community and Family Support Center, ATTN: CFSC-SP, 4700 King Street, Alexandria, VA 22302-4419.

b. Program codes and department codes are administered by HQDA. The applicability of use of existing program and department codes is determined at the local level based on published USACFSC guidance. Requests for additional program and department codes are addressed to Commander, U.S. Army Community and Family Support Center, ATTN: CFSC-FM-I, 4700 King Street, Alexandria, VA 22302-4406.

Appendix G
Cash Inventory and Retail Sales Accountability (Controls and Procedures)

G–1. Cash controls

a. Cash control is based on immediate recording of cash received at the point of sale, depositing cash in banks, and controlling change and petty cash funds to preclude undetected loss or theft. Accountable forms such as sales slips, guest checks, vouchers, and receipts are part of the control system administered by the CAO, FMD, Services Division or equivalent, based on installation needs. All such forms are prenumbered. Control numbers are not assigned by using activities. The first and last number of each series of forms used are reported to the CAO or other administrator at the end of each month. Used accountable forms are received by the administrator before the monthly accounting closeout.

b. Cash receipts are recorded on prenumbered receipt vouchers when cash registers are not available or operational. Receipt vouchers are also used to record cash received from miscellaneous sources. DA Form 1992 (Nonappropriated Fund Receipt Voucher) is used for this purpose and controlled and accounted for the same as change funds. Procedures for using receipt vouchers are explained in DOD 7000.14–R, volume 13.

c. Cash controls will include a clear separation of duties between those persons preparing deposits, cash receipts journal, disbursements journal, bank reconciliations, and persons with signatory powers.

G–2. Cash registers

a. The use of mechanical, electrical, or electronic cash registers that are capable of permanently recording the amount of each sale is the method preferred for immediate recording of cash receipts. Receipts are recorded either by continuous paper tape or an internal memory that permits storage and recall of receipt data.

b. Amount of sales are clearly visible to each customer.

c. Prenumbered cash control documents support register receipt data to the maximum practical extent. Specifically—

(1) Food and beverage customers receive guest checks.

(2) Other customers receive a sales receipt, guest check, or register tape.

d. Cash register change fund controls as listed below.

(1) Register operators sign for operating change funds on DA Form 4082 (Daily Cashier's Record).

(2) Prenumbered cash control documents are issued to register operators at the same time as change funds, using the applicable portion of DA Form 4082.

(3) As receipt for cash received, signed DA Forms 4082 are placed in a safe or where remaining change funds are kept.

e. Operation controls are listed below.

(1) Only one person is assigned to each cash register drawer, except for head cashiers in the performance of their duties. If cash registers have more than one drawer, there are separate access keys for each operator.

(2) Overrings (ringing up more than the transaction amount) or underrings (ringing up less than the transaction amount) are verified and voided on cash register tapes by the operator and initialed by the supervisor. To correct an error, the correct amount is subtracted from sales, explained on DA Form 4082, and forwarded with voided tape to the CAO. Locally developed, over/underring slips with signature of affected customers are required for each correction. Adjustment by overcharging or undercharging a subsequent sale is prohibited.

(3) Cash register drawers are closed after each transaction.

(4) At the close of business, cash registers are emptied of cash, drawers left open, and register controls locked.

f. Only the manager or a designated representative may closeout registers. Procedures are as follows:

(1) Subtotal the register. Subtract the previous reading from the closing reading to determine total daily sales. Clear register totals only at the end of the month.

(2) On the register tape, identify the register, date, and person taking the reading.

(3) Attach tape to daily activity report.

g. Individual cashiers account for change funds, prenumbered cash control documents, and cash receipts, as stated below.

(1) Cashiers are relieved only after completing a cash count. Register sales and prenumbered cash control documents are reconciled with cash collected.

(2) Unused prenumbered cash control documents are recorded on DA Form 4082.

(3) Used, prenumbered cash control documents are attached to DA Form 4082 as supporting documents.

(4) Individuals accepting cash will verify and document the amount on DA Form 4082 in the presence of the cashier being relieved.

h. Cash accountability is achieved as listed below.

(1) Cashiers will not keep overages or make up shortages reported on DA Form 4082, unless held pecuniarily liable as a result of an investigation conducted in accordance with this regulation.

(2) Managers or their representatives will make unannounced counts of petty cash and change funds at least quarterly. Unannounced counts do not preclude making announced counts, each of which is documented to show items listed below.

(a) Date and time of the count.

(b) Total amount of cash counted, by denomination.

(c) Identity of the cash register or change fund.

(d) Names of accountable persons and persons making the count.

G–3. Safekeeping of cash and bank deposit procedures

a. Cash is deposited at the local bank unless cash on hand totals less than $500 or 7 days have passed since the last deposit, regardless of amount. Deposits are made on the last business day of the month regardless of the amount.

b. Daily cash receipts are not added to or commingled with change or check-cashing funds except to exchange currency for maintaining a desired mix of denominations. Additional amounts are added to cash funds only by drawing a check on the central bank and cashing it at the local bank.

c. Daily cash receipts are deposited in the local bank as stated below.

(1) Deposits are made as soon as possible after the close of the business day.

(2) If the time of deposit coincides with banking hours, the deposit is made over-the-counter; deposits before/after banking hours are made by night depository, where available. (Night deposit service should be included, where possible, in all local banking contracts.) If no night depository is available, each deposit is held in a locked safe and deposited at the start of the next business day. Rules for using safes and security containers to hold cash include—

(a) Fire-resistant safes, and equipped with a three-tumbler combination lock. File cabinets specifically designed as security containers that are fire resistant and have the same type of lock are acceptable. Regardless of the type of container, it is chained or otherwise secured to the building and checked before the building is closed to ensure it is locked. Open safes are never left unattended.

(b) The DCA or equivalent will establish written guidelines that limit knowledge of combinations to those who need to know.

(c) Combinations are changed at least annually or when one of the following occurs: when it is suspected the combination has been compromised; when an individual with knowledge of the combination no longer has a need-to-know; or when an individual with knowledge of the combination is no longer an employee of the activity. Each combination changed is recorded on SF 700 (Security Container Information). The first page is affixed to the inside of the lock drawer of the container. The second and third pages are placed in a sealed envelope and deposited with the installation MPs or security officer.

d. Change funds may be maintained for daily operations such as check cashing, foreign currency exchange, and cashier banks. Change funds, other cash funds, and negotiable securities in excess of $100 are kept in a locked safe.

e. A stringent key control program is established for all activities. Employees will not take keys to locked filing cabinets or operational keys home with them.

f. Cash funds of $100 or less may be kept in a lockable file cabinet. The following additional controls are employed as stated below.

(1) Keys are not kept in unlocked containers, such as desks, and are not given to unauthorized personnel.

(2) Containers are checked to ensure they are locked before the building is closed.

(3) Locks are changed whenever personnel having had keys are no longer authorized access.

g. Bank deposits that exceed $100,000 in any single account are reported to USACFSC as required by chapter 11.

h. A daily activity report is prepared for each business day, whether or not a deposit is made. Combined or delayed deposits are annotated on appropriate daily reports when deposits are made.

i. Amounts of currency, coins, and checks in each deposit are entered separately on the deposit ticket. The amount of checks in each deposit are reconciled, with check totals supported with an adding machine tape of the check calculation attached to deposit tickets. The total amount of deposit shown on the deposit ticket will agree with the daily activity report.

j. Cash or other valuables are not given to non-MWR couriers or messengers. Bonding requirements for MWR positions are addressed in chapter 14 (para 14–64).

k. Deposits containing cash are not given to agents, couriers, or messengers who are not properly bonded, as specified in this regulation.

G–4. Petty cash funds

Petty cash funds pay for items, services, or incidental expenses for which payment by check is not feasible. As an alternative to normal procurement procedures, commanders may authorize purchases up to $500 using petty cash. Such purchases are not used to circumvent normal procurement procedures; they are intended to reduce administrative costs of small or repetitive purchases. Petty cash controls are listed below (additional policy is in DOD 7000.14–R, volume 13).

a. Petty cash funds and the amount designated for each are established in writing by the DCA or equivalent.

b. Checks issued to replenish petty cash funds will identify the responsible MWR activity.

c. Each transaction is documented with a prenumbered DA Form 1994 (Petty Cash Voucher) signed by the designated approving authority. A separate voucher is used for each disbursement. Supporting data, such as invoices or

freight bills, supplementing the voucher are attached to the voucher when turned in for reimbursement. Supplements are not used instead of vouchers.

d. Paid vouchers and supporting documents are clearly stamped "paid," dated, and initialed by the person making the disbursement.

e. All voucher numbers are accounted for when petty cash is replenished.

G–5. Checks

a. Garrison commanders will specify which MWR activities may offer check cashing service. Such service is offered only to authorized MWR patrons and to replenish petty cash or change funds.

b. Payroll checks are not cashed.

c. The DCA or equivalent will set the level of the check cashing fund based on local requirements.

d. First-party and, at the local commander's discretion, second-party personal checks are accepted to pay for goods or services and for payment to charge or credit accounts. All checks are payable to (or, for second-party checks, endorsed to) the appropriate MWR activity. As a convenience to patrons, commanders may approve MWR activities accepting first- and second-party personal checks in excess of the amount of purchase with the balance returned in cash. Commanders will determine the maximum amount of cash over purchase, considering such factors as cash flow, bad check history, product prices, cash available, and security.

e. Limitations on the number and dollar amount of personal checks is determined subject to the availability of cash and local demand. A limit of $100 per day per patron is considered reasonable.

f. At each check cashing point, the following statement, or similar statement is displayed prominently: "NOTICE TO CHECK CASHERS: DISCLOSURE OF SOCIAL SECURITY NUMBER (SSN) AND OTHER PERSONAL INFORMATION IS SOLICITED BY AUTHORITY OF SECTION 3013, TITLE 10, UNITED STATES CODE AND IS MANDATORY IF YOU WISH TO CASH A CHECK. ALL INFORMATION FURNISHED, INCLUDING SSN, IS USED TO IDENTIFY WRITERS OF UNPAID RETURNED CHECKS."

g. Check cashing procedures are listed below.

(1) The employee cashing the check initials it.

(2) Positive identification is made to ensure eligibility of the person cashing the check.

(3) Checks cashed by clubs for members are annotated with the club card number. Checks cashed by other MWR activities include the patron's name, Social Security number, and home address. Active duty military and DOD employees will include their place of employment.

(4) Checks payable are endorsed to the appropriate NAFI.

(5) Postdated checks are not cashed.

(6) Persons disbursing cash will not cash their own checks.

(7) Upon presentation, each check is endorsed on the reverse side. A rubber stamp, imprinted with "FOR DEPOSIT ONLY TO THE ACCOUNT OF (name of fund); ACCOUNT NO. (bank account number of fund)" is used.

(8) Checks are not retained in the check cashing change fund beyond the next deposit after receipt. Checks returned as nonnegotiable are recorded in the accounts receivable returned checks account until collection is made or writeoff approved.

(9) Checks are not cashed for anyone who owes for dishonored checks.

h. See the Financial Management section on web site @www.armymwr.army.mil for debt collection procedures.

i. A returned check charge is assessed to recover expenses for administrative and actual expenses associated with collecting dishonored checks.

(1) Charges are not made, nor are they refunded if already paid, if the patron presents a letter from a Government finance office or financial institution stating that the check return was due to a Government or institution error.

(2) The returned check charge is the actual administrative cost and other expenses of collection (plus actual costs to the NAFI, such as bank fees for the returned check) or an amount comparable to that normally charged in the local community. In the absence of a determination of administrative cost or a survey of the local community, a minimum charge of $15.00 is applied.

(3) Return check charges are displayed near check-cashing and payment facilities.

G–6. Inventory and warehouse controls

a. Receipt of overages, shortages, and damaged merchandise.

(1) Shipments received in damaged condition are held at the receiving facility. Shipments with concealed damages are held at the activity storage facility. Disposition instructions are provided by the contracting officer, activity manager, or other competent authority. Claims are initiated by the contracting officer or procurement source for all damaged shipments before invoices are paid. Partial payments for the undamaged portions of shipments are made when directed by the contracting officer.

(2) Receipt of damaged items, or shipments with overages or shortages, are noted on receiving documents and

verified by the activity or fund manager. Copies are sent to the contracting office or procurement source for claims action and to the CAO for adjustment of accounting records.

(3) Concealed damages are reported to the activity or fund manager upon detection. Supporting documentation, outlined below, is sent to the contracting office or procurement source for claims action and the CAO for adjustment of accounting and inventory records.

(a) Nature and extent of damages.

(b) Circumstance of discovery.

(c) Photographs of damaged items in original shipping container, if appropriate.

(d) Any other reasonable documentation required by the vendor or shipper.

(4) Food and beverage items not prepared for sale that are thought to be spoiled are inspected by the installation veterinarian. The veterinary certification is included with the daily activity report and sent to the servicing CAO for adjustment of accountability. Spoiled products are destroyed as prescribed by the activity manager.

(5) Alcoholic beverage bottles damaged in shipment, or with concealed damages, are processed in accordance with the purchasing agreement. Damaged bottles not eligible for this processing are saved (at least the band sealed neck) until a disinterested person appointed by the DCA or equivalent witnesses its destruction. The signed witness statement and the inventory list of damaged bottles are sent to the CAO and recorded per DOD 7000.14–R, volume 13.

b. Control of storage and issue facilities. Storage and issue operations are centralized to the maximum practical extent. Depending on the size of the installation and the number and scope of activities, all storage and issue operations may be concentrated in a single warehouse or in separate facilities operated by each separate activity. The controls listed below apply.

(1) Central, shared use facilities are managed solely by persons designated by the fund manager.

(2) Each facility is locked when not in use.

(3) Items are issued only on prescribed forms and signed by both the issuer and receiver. Deliveries are made to the receiving facility unless it is determined by the fund manager to be more advantageous for deliveries to be made directly to the using activity.

(4) A perpetual inventory of each stocked item is maintained on DA Form 1991 (Stock Record Card).

(5) On receipt, items are inspected and reconciled against specifications.

(6) Copies of receiving reports, invoices, and related documents are sent with the daily activity report to the CAO so that full advantage is taken of cash and prompt payment discounts, contract terms are verified, and incomplete or damaged shipments identified.

(7) Instances of damaged or incomplete shipments are investigated promptly.

(8) Items received on credit that are returned to commercial vendors are accompanied by appropriate documentation and a copy is forwarded to the CAO for verification against the original invoice and receiving report.

(9) Transfers between activities and departments are recorded. Records are forwarded with the daily activity report to the CAO.

c. Inventory control.

(1) Physical inventories are performed monthly for merchandise purchased for resale and consumable supplies.

(2) All other NAF property is inventoried annually and upon change of fund managers or accountable officer.

(3) Validation of inventories.

(a) Internal inventories are conducted by employees. Inventories are taken by someone other than the person directly responsible. However, during an inventory, the person directly responsible may locate, but not call, items to expedite the inventory. The DCA or a designated representative supervises the conduct of inventories.

(b) Independent inventories are conducted by disinterested persons, not employed or otherwise connected with the NAFI.

(4) Each inventory, regardless of frequency or type, includes a visual count of merchandise and comparison of the results to the balances carried on the accounting and property records. Unreconciled variances are reported to the fund manager. Unaccounted for items that are not subsequently recovered are reported as lost in accordance with chapter 13.

(5) Inventory results are reported to the fund manager and are sent to the CAO for reconciliation with stock records.

(6) Bar stock is inventoried.

(7) Bars with automated dispensing systems are inventoried at the end of each month. The dispensing system includes all supply lines connecting the rack room source to the bar dispenser. A reconciliation is performed at the end of each month between stock used and quantities dispensed. Variances are explained in writing.

(8) Bar condiments and garnishes are charged to cost of goods at the time of issue.

(9) A perpetual inventory is maintained for sensitive and high-dollar-value items, including food, beer and wine. Specifically—

(a) A physical inventory is performed daily.

(b) Inventory documents are posted daily to reflect opening inventory, transfer in and out, and closing inventory.

(c) Quantities sold are reconciled with the cashier's scatter sheet, or summary of sales recorded for each cashier.

(d) Variations are explained in writing. Explanations are maintained with inventory records until the next audit.

(10) Procedures for conducting physical inventories are provided in DOD 7000.14–R, volume 13.

G–7. Retail sales accountability

a. Accountability controls. All NAFIs that have resale activities use accountability controls regardless of volume.

(1) Results of comparing sales records to actual receipts and applying standard accounting tests, based on inventory turnover, are used to identify significant variances and responsibility for fraud and embezzlement.

(2) Sales accountability tests are performed monthly in coordination with monthly inventories. Only activities with low daily sales volumes, insufficient to necessitate daily bank deposits, may perform sales accountability tests quarterly.

(3) Sales accountability tests will be performed on a random basis. As a means of minimizing disruption of operations, tests will be conducted concurrently with performance of scheduled inventory counts and sales accountability. Tests will validate procedures in practice and provide for—

(a) Complete and accurate inventories.

(b) Accurate and supported entries on sales accountability statements.

(c) Thorough research, effective resolution, and adequate documentation of discrepancies.

(4) Effective dates of retail price changes are coordinated with inventory schedules to ensure accuracy of recorded retail values.

(5) Automated procedures are used to the maximum practical extent to ensure sales accountability data accuracy.

b. Accountability tests. Accountability tests involve the application of standard accounting calculations to detect variances between expected and actual receipts based on known factors such as inventory turnover and retail costs. For MWR resale activities, accounting tests are applied to the cost of goods sold and gross sales revenue. Maximum allowable variances are as indicated for the following resale activities as follows.

(1) Cost of goods sold: food items 2 percent and other items 1 percent.

(2) Expected and actual sales, based on inventory turnover.

(a) Alcoholic beverage service: 2 percent.

(b) Food or food and beverage service: 2.0 percent.

(c) All other: 1 percent.

1. Resale activity accountability tests are performed when cost of goods sold fluctuates outside reasonable program tolerances. Computations continue until variances are not exceeded for 2 consecutive months.

2. Expected cost of goods and expected gross sales are compared to actual results.

3. If the allowable variance, or a total of $450, is exceeded, a report is forwarded through the appropriate DCA or equivalent division chief to the activity manager for explanation and correction.

G–8. Sales accountability for MWR-leased storage space

MWR activities which provide space for patrons to store their personal property, such as boats, motor homes, trailers, will require patrons to sign a contract outlining activity/user responsibilities, including proof of insurance. The contract will include a specified period (monthly, quarterly, or annually). Payment is made when the contract is signed and a copy of the payment receipt is attached to the contract. The MWR activity will send a contract expiration notice to the patron at least 15 days prior to the expiration date. A master list, indicating the total spaces available, the number occupied/vacant, and total amount of money due and collected, is kept current daily and compared with the contract file.

G–9. Customer returns

Merchandise returned by customers for refunds or credit is processed as stated below.

a. Each return is accompanied by a proof of sale, such as a cash register receipt or sales slip.

b. A local refund document, as a record of the refund or credit. It includes—

(1) Name of the person requesting the refund or credit.

(2) Name of the person approving the refund or credit.

(3) Reason for the return.

(4) The price paid by the customer and the actual sale price of the merchandise, if different. Any difference is fully explained.

c. The proof of sale is attached to each refund document.

d. If the price paid differs from the actual sale price, the customer is entitled to a refund or credit for the price paid.

e. Accounts receivable is credited only when cash is received, merchandise is returned for credit, or the account is charged off as uncollectible. Customer bills are verified to accounts receivable balances before being mailed by a

person other than the one who prepared the statements. Access to accounts receivable records is restricted to ensure that persons receiving payments or initiating charges do not have access to the subsidiary record.

Appendix H
Copyright Clearance Procedures

H–1. Copyright control officer

The installation entertainment program manager serves as the copyright control officer for the installation and will initiate all copyright clearance requests, regardless of whether the producing or sponsoring activity is the entertainment program, another MWR activity, or a non-MWR activity, such as a school or chapel. If no entertainment program manager is assigned, the garrison commander or DCA will appoint a copyrights control officer to carry out copyright clearance functions.

H–2. Forms

Clearances are requested on DA Form 3238 (Request for Copyright Clearance on Musical or Dramatic Works). Requirements for additional performances are cleared rapidly, thereby avoiding the time and more complex efforts involved in cancellation procedures. Requests for additional performances are coordinated by telephone or in writing with USACFSC as soon as the additional requirements become known.

H–3. Clearance procedures

a. Clearly identify production materials on the clearance request. Include information specifying the length of time required, the date requested, and whether the materials are rented or purchased. The local duplication, alteration, adaptation, revision, or rearrangement of copyrighted materials is not authorized except at the specific direction of the leasing agent.

b. Requests for copyright clearances and related correspondence are sent directly to USACFSC.

c. Direct communication between installations and leasing agents, trustees, or copyright owners is not authorized, except at the specific direction of USACFSC.

d. If producing organizations, members of performing or producing groups, or any other installation activity are contacted directly by civilian leasing agencies, except for the delivery of production materials, the entertainment program manager will forward the correspondence, with a proposed reply where appropriate, to USACFSC.

e. All correspondence relating to the availability of copyrighted works are forwarded to USACFSC. Requests for perusal copies will include a self-addressing label.

f. Requests for properties leased by Tams-Witmark Music Library, Inc. are submitted to reach USACFSC 4 months prior to the date of the first scheduled performance.

g. Clearance requests are transmitted by mail. Facsimile messages are authorized only in emergency or unexpected situations, such as changes in performance dates, cancellations, requirements for additional performances, and similar situations.

H–4. Production materials procedures

a. Upon receipt of production materials, the recipient will conduct a complete inventory, checking against the packing slip and noting any discrepancies. In the event of a discrepancy, copy of the inventory and enclosed invoices for materials or scripts, identifying the scripts by title, is forwarded immediately to USACFSC.

b. Immediately upon completion of use of all production materials, all copyrights control officers return materials directly to the leasing agency. The sender retains mailing or shipping receipts, indicating items returned. The installation is liable for any additional costs if materials are returned late, damaged, marked, or lost. Installations send to USACFSC a check payable to the leasing agency for invoice costs of the damaged or lost materials. Disputes are referred to USACFSC for resolution with the leasing agency. Failure to pay damage/lost fees can result in suspension of all other copyright clearances affecting the installation.

H–5. Postponement and cancellation procedures

a. If a scheduled performance is postponed, written notification is provided to USACFSC before the originally scheduled performance date. If postponement exceeds 3 months, the clearance is canceled and a new clearance request is submitted for any subsequent production.

b. Installations will provide USACFSC with written notification of cancellations as soon as possible. If some, but not all, of the cleared performances are canceled, cancellation notices are provided before the final performance report is submitted. When an entire production is canceled, a cancellation notice is provided immediately (especially in the case of musicals) to avoid unnecessary rental fees. Any production materials are returned immediately to the leasing agency.

H–6. Payment procedures

a. Within 5 duty days of the final performance of a copyrighted work, the installation completes the final part of DA Form 3238–R, verifying completed performances and forwards the form to USACFSC. This constitutes the confirmation of receipt of services/goods and is the basis for authorizing the royalty and fees payment.

b. USACFSC pays royalties and related fees for works produced by activities of the Army Entertainment Program worldwide. Royalties and related fees for works produced by schools, installation clubs, chapels, and other activities are paid by the installation or activity based on an invoice from USACFSC. The check is made payable to the leasing agency, but is sent to USACFSC for verification and forwarding.

c. If a leasing agency sends an invoice for royalties and rental fees directly to the installation, it is forwarded immediately to USACFSC.

H–7. Original works

a. The production of original works of local playwrights, authors, composers, and lyricists by entertainment programs is encouraged. In such instances, the installation will obtain a notarized statement from each contributor to the original work, certifying that he or she holds exclusive rights to the material and authorizes its use under the terms indicated on the copyright clearance request. The full name, address, and telephone number of each contributor is included in the statement. All statements are attached to DA Form 3238 and forwarded to USACFSC.

b. Members of the entertainment program professional staff, soldiers, and civilian employees of the Army serving as performers, directors or technicians may offer a work of their creation to be produced by the Army, at any location, under the guidelines of original works, but will receive no payment, in any form from the project.

Appendix I
Tour Directors, Guides, and Escorts

I–1. General

Persons conducting ITR operations function as representatives of the U.S. Army and not as individuals. Acceptance of gratuities by individuals from those who have or seek business with the IMWRF is prohibited. Employees will avoid involvement in activities that are viewed as a conflict of interest (see Joint Ethics Regulation (DOD 5500.7–R)).

I–2. Commissions, fees, and other inducements

a. Commissions or fees. Commissions or fees are paid by travel agents, hotels, resorts, and other enterprises to travel arrangers who make reservations for use of their facilities or services and are accepted only if payment is made directly to the IMWRF. Direct payment to or acceptance by individual employees is prohibited.

b. Complimentary familiarization tours. MWR staff personnel are prohibited from receiving, in their individual capacity, any free transportation, accommodations, or other services that relate directly to a familiarization tour. Employee acceptance of invitations extended by individuals or businesses that have or seek business with DOD is not authorized. To become familiar with a particular tour, employees do so in a TDY status.

(1) Free or reduced price transportation, accommodations, or meals may be accepted by tour directors, guides, or escorts (either APF or NAF employees) only if a formal contract is issued, or the individual is in TDY status and travel vouchers show deductions for services received. A copy of the request for services, issued on DA Form 4067–R (Order for Supplies and Services/Request for Quotations (Nonappropriated Funds)), is attached to the travel voucher. Procedures for use of this form are prescribed in AR 215–4. This guidance applies when the ITR office receives a complimentary transportation ticket or lodging accommodation based on the number of ticket sales or reservations.

(2) Employees may not accept free transportation, accommodations, or other items of value.

I–3. Gratuitous or volunteer services

a. Persons providing gratuitous or volunteer services (such as tour director, guide, or escort services) are formally appointed by the installation Leisure Travel Services manager or ITR coordinator. Individuals are briefed and receive training and information appropriate to the activity. Minimum training should include orientation on related MWR policies and procedures, first aid, and successful completion of courses that certify proficiency in cardiopulmonary resuscitation and the Heimlich maneuver.

b. Off-duty military or civilian employees may provide gratuitous or volunteer services if leisure tour and travel activities are not part of their normal duties.

c. A written agreement must be executed for each trip between the person providing gratuitous or volunteer services and the MWR activity. Benefits provided by the Army as a consequence of the activity (such as transportation, food, lodging, and admissions) should be specified in the agreement. Responsibilities assigned the individual, such as spot payments to vendors in accordance with local customs, should be stated in the agreement also.

d. Additional policy on gratuitous and volunteers can be found in chapters 4 and 7.

Appendix J
Personnel Requirements Document

J–1. PRD figures
Figures dealing with the process leading up to the PRD, which previously appeared under this appendix, are removed.

J–2. PRD guidance
See chapter 9 for guidance on the PRD.

Appendix K
Management Control Evaluation Checklist

K–1. Function
The function covered by this checklist is the administration, operation, and management of Morale, Welfare, and Recreation (MWR) Activities and Nonappropriated Fund Instrumentalities (NAFIs).

K–2. Purpose
The purpose of this checklist is to assist IMA Region and installation personnel responsible for MWR activities and NAFIs in administering APF and NAF resources, MWR activity reporting requirements, managing MWR programs, and other NAFIs in evaluating their key management controls. Many of the questions are also pertinent to NAFIs other than the Installation MWR Fund MWR activities. This checklist is not intended to cover all controls.

K–3. Instructions
Answers must be based on actual testing of key management controls, such as document analysis, direct observation, interviewing, sampling, and simulation. Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation.

K–4. Test questions
a. Chapter 3—NAFI legal status.

(1) Are reported violations pertaining to waste, loss, mismanagement, and unauthorized or improper use of NAFs investigated per AR 15–1 or this regulation and penalties administered as prescribed under the Uniform Code of Military Justice for military personnel, AR 215–3 for NAF personnel, and regulations applicable to APF personnel?

(2) Is IRS Form 8027 filed by the NAFI to the IRS declaring tip income and allocated tips?

b. Chapter 4—Funding.

(1) Are authorizations for APFs for the various elements of expense adhered to as prescribed in appendix D?

(2) Are NAFs generated from individual NAFIs used to support only those programs managed within the individual NAFIs, (unless otherwise authorized in this regulation or other policy)?

(3) Are reimbursements to volunteers made in accordance with the expenses authorized and for services provided recognized programs?

c. Chapter 5—Fund managers/councils. Does the IMWRF council or other NAFI council review the operations of the NAFI triennially to assure the purposes for its establishment and continuance remain valid? Is this validation also part of the fiscal year budget?

d. Chapter 7—Administration of NAFIs and MWR activities.

(1) *Resale.* Has written agreement been obtained from the regional director of the servicing exchange before offering exchange authorized services and merchandise (per AR 60–20) through MWR activities?

(2) *Alcohol policy.*

(a) Are all employees involved in selling alcohol trained, using the Alcohol Sellers Intervention Program (ASIP) or other approved programs, within 30 days of hire/assignment and then at least annually?

(b) Is a current Federal retail or wholesalers' beverage license on hand at facilities authorized to sell alcoholic beverages?

(c) Does seller/server require identification from purchaser of alcohol if seller/server questions minimum age requirement?

(3) *Safety.* Are individuals using hand tools, power tools and other specialized equipment required to qualify prior to use and are records maintained and updated every five years?

(4) *Commercial sponsorship.*

(a) Do employees authorized to work with the commercial sponsorship program receive, at a minimum, a briefing on ethics, the principles and procedures of solicitation, and evaluation of offers and file documentation?

(b) Are the obligations and entitlements of the commercial sponsor and the MWR program incorporated into a written sponsorship agreement and do they receive a legal review by the servicing SJA?

e. Chapter 8—MWR activities.

(1) *Amusement and vending machine operations.*

(a) Is a current and accurate inventory kept of all amusement and vending machines?

(b) Are cash boxes emptied and serviced in the presence of an impartial observer?

(c) Do all machines have two locks so that two keys, one from the concessionaire and one from the NAFI, are required to open it?

(d) Are significant variances between amusement and vending machine cash collected and expected receipts investigated, documented, and retained for an audit trail?

(e) Is amusement and vending machine collection information immediately furnished to the CAO?

(f) Does the garrison commander or representative appoint an impartial observer to sign for keys and participate in collections?

(2) *Army Recreation Machine Program.*

(a) Are key control procedures per chapter 8 strictly enforced at all levels?

(b) Are activity and ARMP representatives present at all times during preventive or extended maintenance?

(c) Are physical inventories of ARMP machines conducted annually?

(d) Are representatives appointed and trained to participate in cash collection and maintenance observation?

(e) Are machines safeguarded to prevent unauthorized access?

(3) *Casino games.*

(a) Are slot machines and roulette wheels prohibited in Monte Carlo events conducted in CONUS?

(b) Are chits or play money only used for "money" in Monte Carlo events?

(4) *Libraries.* Is a warning concerning copyright restrictions prominently posted near all copy machines in libraries and other appropriate places?

(5) *Parachute activities.*

(a) Has the commander appointed an installation sport parachuting safety officer (ISPSO) to supervise all aspects of sport parachuting safety and an activity sport parachuting safety officer who is responsible for the sport parachuting safety program?

(b) Do all jumpmasters and instructors hold a current USPA rating?

(c) Is equipment maintained and inspected by FAA-certified riggers and in accordance with FAA standards?

(6) *Shooting sports/rod and gun activities.*

(a) Are monthly and annual physical inventories of ammunition and weapons, at shooting sports centers/rod and gun activities performed as prescribed in chapter 8?

(b) Is a joint physical inventory of weapons and ammunition conducted upon change of custodians?

(c) Are firearm sales by shooting sports centers/rod and gun activities, limited to eligible patrons, who are residents of the State in which the installation is located, and are the patrons requested to show proof of age?

(d) Are shooting sports centers/rod and gun activities licensed as dealers by the Federal Bureau of Alcohol, Tobacco, and Firearms (ATF) to sell firearms?

(e) Are all firearms transactions and sales recorded and kept permanently?

(f) Are records of invoices for ammunition received and sold retained for at least two years?

(7) *Youth Services.* Are all Youth Services staff members and volunteers screened for suitability and are background checks performed per AR 215–3 and AR 608–10?

(8) *Mobilization/contingency.* Does the installation have a plan to address potential restructuring of MWR programs during contingency operations, to include establishment, modification, termination and/or reestablishment of services?

f. Chapter 9—MWR personnel. Is a Personnel Requirements Document maintained in order to control authorization levels and for budgeting and the development of strategies?

g. Chapter 11—Financial management.

(1) Does the NAFI maintain a cash to debt ratio in accordance with the current fiscal year MWR Standards Assessment?

(2) Does the NAFI generate a positive NIBD at the percentage specified for each fiscal year?

(3) Do the three categories of MWR activities meet the per annum Army MWR standards as prescribed in the annual budget instructions and chapter 11?

(4) Were annual budgets for all Army NAFIs (except Civilian Welfare Funds and Army Lodging Funds) submitted, together with the five-year MWR plan and the Commander's narrative, to the applicable IMA Region?

(5) Are items purchased on approved budgets?

(6) Does a NAFI's capital purchases and minor construction (CPMC) execution meet the MWR CPMC execution rate established by the MWR BOD?

(7) Are items contained in the Capital Commitments Account supported by valid contracts or purchase orders and do the commitments meet established dollar criteria?

(8) Are the program's financial goals and budget variance standards reflected in the activity manager's performance standards?

(9) Are NAFI accounts maintained in local banks reported to USACFSC at least twice a year?

h. Chapter 12—NAF property management

(1) Has a NAF property identification system been implemented?

(2) Is NAF property adequately insured against loss, damage, or destruction with USACFSC (CFSC-FM-I) per chapter 14 (para 14–5)?

(3) Are physical inventories of NAF property conducted per DOD 7000.14–R, volume 13, appendix A, table 4–2 (page A–35)?

i. Chapter 13. Management controls, audits, inspections, and investigations. Have annual audits (financial or compliance in nature) been conducted for all NAFIs with annual revenues or expenses exceeding $7 million (except those NAFIs consisting of groups of activities such as IMWRFs)?

j. Chapter 14—NAF Risk Management Program

(1) Does the fund manager review and update the Review of Insured Exposures annually?

(2) Does the fund manager notify RIMP when the insurable value of contents changes more than 10 percent per location?

k. Appendix G—Cash inventory and retail sales accountability.

(1) *Cash register.*

(a) When cash registers are not available, are sales recorded using pre-numbered forms (sales slip, DA Form 1991, NAF Receipt Vouchers, or imprinted guest check)?

(b) Does management (or representative) make unannounced counts of petty cash and change funds at least quarterly?

(2) *Safekeeping of cash and bank deposit procedures.*

(a) Are daily cash receipts of $500 or more deposited at the local bank after the close of the business day? If this is not possible, are the cash receipts held in a locked safe and deposited at the beginning of the next business day?

(b) Are cash receipts under $500 deposited at the local bank within 7 days of the last deposit?

(c) Are security containers or safes for securing cash and other negotiable instruments equipped with a three-tumbler combination lock?

(3) *Check cashing.*

(a) Are written procedures in place for cashiers to follow when cashing checks and do they incorporate the controls identified in Appendix G?

(b) Is a bad check list available for the cashier to consult and is it current?

(c) Do cashiers initial checks to indicate the proper procedures have been followed?

(4) *Inventory/warehouse controls.*

(a) Are monthly physical inventories conducted for resale merchandise and supplies?

(b) Do inventory teams always include someone independent of the operation?

(c) Are daily inventories conducted for sensitive and high dollar value items?

(d) Is access to NAF asset or property storage areas restricted to authorized personnel?

(5) *Retail sales accountability.* Are retail sales accountability tests, including a comparison of sales records to actual receipts and applying standard accounting tests based on inventory turnover, used to identify significant variances and responsibility for fraud and embezzlement?

l. Appendix H—Copyright clearance procedures. Are copyright clearances requested and obtained per appendix H?

m. Appendix M—Army Flying activities.

(1) Are pilot qualification and medical examination records maintained by the Armed Flying Activity (AFA) manager?

(2) Are engine and aircraft log books maintained in accordance with Federal Aviation Agency (FAA) standards?

(3) Are AFA written maintenance discrepancies, which render an aircraft questionable for flight, signed off by authorized personnel prior to the next flight?

(4) Are MWR AFA maintenance personnel performing maintenance on privately-owned aircraft?

(5) Is a quality assurance program in place for fuel used in flying activity aircraft?

(6) Are "hold harmless agreements" required for all patrons using AFA aircraft and records maintained?

K–5. Cash inventory and retail sales accountability (compensating controls and procedures)

a. Where key management controls are not fully implemented at MWR activities, the activity manager must

establish effective compensating controls to ensure adequate management controls. An example of compensating controls would be strengthening other cash handling controls when staffing levels are inadequate to allow for proper separation of cash handling responsibilities. The manager could do one, or any combination of, the following:

(1) Strengthen control of merchandise—more frequent inventory counts of sensitive items.

(2) Do more frequent sales accountability tests.

(3) Have a third party validate sales in the daily activity reports with documentation supporting a cashier record.

b. The activity manager must coordinate the implementation of compensating controls with the installation Internal Review Office, and obtain approval from the DPCA/DCA. Documentation showing this coordination and approval must be filed at the activity manager's office.

K–6. Supersession

This appendix replaces the checklists previously published in—

a. DA Circular 11–87–3, for AR 215–1, Base Support Services, General Welfare and Recreation; and for AR 215–2, Base Support Services, General Welfare and Recreation.

b. DA Circular 11–91–2, for AR 215–2, Base Support Services, General, General Welfare and Recreation (Amusement and Vending Machine Operations).

c. DA Circular 11–92–3, for AR 215–2 (para 5–35 and 5–36), Personnel, Hotel Operations.

K–7. Comments.

Help make this a better tool for evaluating management controls. Submit comments to the Commander, U.S. Army Community and Family Support Center ATTN: CFSC-SP, 4700 King Street, Alexandria, VA 22302–4419.

Appendix L
NAFI Asset Losses

Section I
Reports of Investigation

L–1. General

Normally, the fund manager is responsible for NAF property and for initiating reports of losses to proper authorities (military police, fire marshal, Army Central Insurance Fund (ACIF), or the approval authority). The person designated to investigate the incident will coordinate any investigative effort with the applicable law enforcement agency (PMO and USACIDC) as appropriate and will be senior to the person being investigated (commissioned or warrant officer; NCO, E7 or above; or a civilian employee, GS-7 or above.) Reports are submitted to the approving authority within 15 days of the discovered loss and prepared in a standard memorandum format shown in AR 25–50, unless another format is prescribed locally. Reports include facts and circumstances surrounding the loss, specific findings, and recommendations. Interview with principals and witnesses, and examination of documents and physical evidence contribute to the development of findings and recommendations; they are included as part of the report along with any rebuttal, reconsideration, appeal, and legal opinion which may result.

L–2. Reports

Reports include—

a. Date, time, and location of the incident.

b. Description of lost, damaged, or destroyed items to include the makes, models, serial numbers, and quantities.

c. Value determined as follows:

(1) Cash—the actual dollar amount. For foreign currency, the actual amount in the foreign denomination and its equivalent value in U.S. dollars.

(2) Securities—market value at the close of business on the day the loss was discovered.

(3) Property—fair market value at the time of the loss, if available, or original acquisition cost, less depreciation shown in table 14–1.

(4) Resale merchandise—wholesale or actual acquisition cost.

(5) Cost of repair, if item recovered is damaged and repairable.

d. Accounting of insurance proceeds (RIMP Claim Closing Memo) showing amount paid or commercial insurance payments, indicating any depreciation and/or deductible or basis for denial of payment on claim.

e. Circumstances surrounding the loss.

f. In-depth analysis of all available evidence (statements provided by principals and witnesses, the degree to which each statement is substantiated or contradicted by other statements, related documents, or physical evidence) to establish—

(1) What, when, where, why, and how, the loss occurred.

(2) Who was involved and who should be held responsible.

g. Management control weaknesses attributable to the loss, such as—

(1) Procedures for controlling prenumbered cash control forms and recording sales.

(2) Accuracy of receiving procedures.

(3) Timeliness of receiving report submissions and whether or not receipts and stock are secured and transfers documented properly (this includes transfers out due to breakage, spoilage, and obsolescence).

(4) Correctness of portioning food in food operations.

h. For inventory and retail sales accountability variances exceeding $500, review the accuracy of—

(1) Beginning and ending inventories.

(2) Receiving reports.

(3) Sales receipts.

(4) Transfers in and out.

(5) Recorded cost of goods.

(6) Resale prices.

i. A separate paragraph listing all relevant findings and conclusions based on an analysis of all evidence.

(1) A separate subparagraph will address each finding, supported by evidence discussed in the report or attached as exhibits or enclosures.

(2) Cite specific procedures from relevant management control publications, particularly for those involving weaknesses in or noncompliance with management control procedures.

(3) The degree of negligence, when the loss was due to or contributed to by actions or omissions of persons accountable or responsible for the NAF property. Simple negligence is the failure to act as a reasonably prudent person under similar circumstances. Gross negligence is an extreme departure from accepted standards and accompanied with a recklessness or wanton disregard of the consequences of the act or omission.

(4) Any extenuating or mitigating circumstances that bear on the extent of personal liability. Extenuating circumstances tend to rationalize, justify, or explain. Mitigating circumstances tend to lessen the severity, impact, or effect.

j. Evidence and supporting documents including—

(1) Signed and dated witness statements.

(2) Copies of military police reports.

(3) SOPs and/or management control publications.

(4) Rental agreements.

(5) Daily activity reports.

(6) Canceled checks, payment vouchers, copies of bank deposit slips, and similar documents.

(7) ACIF claim closing memos or commercial equivalents that show payment or denial of insurance claims. Documents should include the basis of payments made, to include calculation of depreciation and deductibles, and the reasons for denial.

(8) Photographs of physical evidence, such as furniture, fixtures, or equipment.

k. A separate paragraph listing all recommendations. Recommendations will suggest corrective actions needed and fix individual responsibility. A separate subparagraph will address each recommendation. Each recommendation will be based on findings and evidence.

(1) Recommendations for corrective action will address systemic or procedural changes considered necessary to prevent recurrence and may include—

(a) Physically altering or modifying facilities.

(b) Establishing new procedures.

(c) Clarifying or strengthening established procedures.

(d) Improving management controls.

(e) Providing additional or specialized training.

(2) Recommendations that fix individual responsibility also include the dollar amount for which the individual should be held pecuniarily liable. An accountable or responsible person may be—

(a) Held liable for the entire amount of loss, or

(b) Held liable for a portion of the loss, based on extenuating or mitigating circumstances, or

(c) Relieved of accountability or responsibility.

(3) Recommendations involving liability must consider—

(a) The dollar amount of loss.

(b) The degree of negligence.

(c) The amount of insurance, if any, paid by the ACIF or commercial insurers, or the denial of insurance claims due to management control or physical security deficiencies.

(d) And the administrative workload and costs associated with appeals and collection actions.

(4) Recommendations for liability will include the following items below.

(a) Person's name and social security number.

(b) Dollar amount of liability charged and the method used to compute charges.

(c) Basic pay to which the individual is entitled in an average pay period.

(d) Date of employee discharge or termination, if applicable.

L–3. Submission of reports

a. Reports that recommend relief from accountability or responsibility are submitted directly to the approving authority.

b. For liability in any amount and prior to submission to the approving authority, a copy of the report will be given to each person against whom liability is recommended. The person will receive written notice (by memorandum) of the type and amount of liability recommended and will be advised of consequences, if approved, and their rights to—

(1) Include a written statement in the report on the recommendation of financial liability.

(2) Inspect and copy records related to the liability.

(3) Seek legal advice from the servicing legal officer.

(4) And submit a rebuttal to the investigator based on new evidence or on evidence not considered previously within 7 calendar days from date of receipt if the individual is served in person; within 15 calendar days of the date of delivery by certified or registered mail if the individual is unavailable but in the same country; and within 30 calendar days from the date of delivery by certified or registered mail if the individual is unavailable and in a different country.

L–4. Rebuttals

a. If no rebuttal is received, the completed report is submitted to the approving authority.

b. If a rebuttal is submitted within the allotted time, the investigating official will consider any new or additional evidence and take one of the following actions listed below.

(1) Let the original recommendation stand.

(2) Reduce the recommended amount of pecuniary liability.

(3) Recommend relief from accountability or responsibility.

c. Rebuttal statements and final action by the investigating official are enclosed with the original report and submitted to the servicing legal officer for review prior to review of the approving authority.

d. Rebuttals received after the allotted time are considered and submitted through legal channels to the approving official.

Section II
Approving and Appeal Authority, Reconsiderations and Appeals, and Final Actions

L–5. Approving authority

The approving authority will review the report and rebuttal, if submitted, and take one of the following actions listed below.

a. Return the report to the investigating official for additional information.

b. Order an AR 15–6 investigation and appoint an investigating officer.

c. Approve the report recommendations.

d. Disapprove the report recommendations and take other action.

e. Assess pecuniary liability, considering the basic pay of affected individuals. Assessments may be prorated over a reasonable period of time.

L–6. Liability assessment

Individuals assessed liability as a result of an investigation will receive notification of collection and a copy of the final report, delivered by mail or messenger with a signed receipt guarantee. Included are—

a. The amount of liability assessed, terms of payment and intention to collect.

b. A listing of individual rights, including the right to—

(1) Inspect and copy relevant records.

(2) Obtain legal advice from the SJA.

(3) Request reconsideration based on evidence not previously considered, new evidence, or legal error. Reconsiderations will be submitted through command channels to the approving authority, within 30 days from receipt of notification.

(4) Request an extension of the payment period within 30 days from receipt of notification.

(5) Request remission or cancellation of the debt under the provisions of AR 600–4 (for enlisted personnel).

(6) Submit an application to the Army Board for the Correction of Military Records under the provisions of AR 15–185 (for all military personnel).

L–7. Reconsideration

The approving authority will review reconsideration and take one of the following actions:

a. Affirm the original decision.

b. Reduce the amount of pecuniary liability assessed.

c. Notify the individual of relief from accountability or responsibility.

L–8. Appeals

a. If reconsideration does not result in relief from accountability or responsibility, the reconsideration becomes an appeal, and the approving authority submits the complete report by memorandum to the appeal authority (next higher authority).

b. The memorandum referring the report to the appeal authority will specify dollar amounts of liabilities assessed and the basis for the decision.

L–9. Appeal authority

a. The appeal authority will request a second legal review.

b. If not legally sufficient, the opinion will state the reasons why and will make appropriate recommendations.

c. The appeal authority will review the case and SJA recommendations and do one of the following listed below.

(1) Affirm the approving authority's decision.

(2) Direct the approving authority to reopen the investigation to clarify any matters specified by the appeal authority.

(3) Reduce assessed amount of pecuniary liability.

(4) Relieve any/all concerned of accountability or responsibility.

L–10. Final actions

The original report and all related documents are returned to the approving authority with a memorandum that—

a. Specifies final action on the appeal.

b. Directs the approving authority to notify the individual of the final action.

c. Gives instructions for refunding amounts already collected for those assessment decisions that are reversed.

Section III
Collections of Liability Assessments

L–11. Collections

The preferred method of collecting liability assessments is a voluntary negotiated agreement for payment made in a single cash transaction, where possible, or regular partial payments over a reasonable period of time. If a voluntary agreement cannot be negotiated, procedures specified in chapter 11 are used. If neither of the above is successful, involuntary pay deduction is initiated in accordance with the following procedures, as appropriate.

a. Military personnel. The fund manager will provide the finance office/defense accounting office with a copy of the complete report and Defense Finance and Accounting Service (DFAS) will process the debt per DFAS-IN 37–100–04 (active). Enlisted soldiers may seek cancellation or remission of indebtedness under AR 600–4. If the individual is in the process of being separated and the debt is not paid, the debt will be considered in settlement of final pay.

b. NAF employees. Payroll deductions will be per AR 215–3. The fund manager will forward a copy of the collection notification sent to the employee to the payroll office unless there is an appeal. The amount deducted in any one pay period must be reasonable in terms of net pay and, generally, should be sufficient to satisfy the debt in 5 to 10 pay periods.

c. APF civilian employees. A copy of the complete report of investigation will be forwarded to the employee's supervisor who, in turn, may refer it to the servicing CPAC for action under appropriate civilian personnel regulations.

d. Other persons. Collections will be processed as claims in favor of the United States under the provisions of AR 27–20 and this chapter or under terms of an applicable contract.

L–12. Processing payments

The claiming NAFI will receive any recovered debt payments from DFAS. Where ACIF has made insurance payment on a claim, ACIF is entitled to first right of recovery as stated in chapter 14, and any claim payments received from DFAS by the claiming NAFI will be sent to USACFSC (CFSC-FM), 4700 King Street, Alexandria, VA 22331–4406.

Appendix M
Army Flying Activities

M–1. General

Army flying activities may be established as recreational programs that enhance morale by providing recreational flying opportunities on off-duty time, teaching or improving aeronautical skills, and developing an awareness and appreciation of aviation requirements, safety, and techniques.

a. Garrison commanders may authorize use of hangar space, aircraft tie-down facilities, and maintenance facilities provided such use does not interfere with official military flight operations.

b. Army flying activities (AFA) may be established at any installation with an assigned active Army aviation element, subject to approval by the responsible IMA Region and USACFSC. Requests to establish a flying activity are forwarded through command channels to USACFSC (CFSC-CR), 4700 King Street, Alexandria, VA 22302–4418, and include the following information listed below.

(1) Size of the initial patron base.

(2) Growth potential.

(3) Planned aircraft and equipment acquisitions, to include methods of acquisition.

(4) Installation facilities available for use.

(5) Source of funds and proposed expenditures.

c. Flying activities may be established on a regional basis to support two or more installations in the same general area to maximize participation, minimize cost, and provide for operating efficiencies. Requests to establish regional flying activities are forwarded by the host installation, through command channels, to USACFSC with the above information.

d. Aircraft assets authorized are generally limited to light, single-engine aircraft. IMA Region approval is required before acquiring or operating multi-engine aircraft and are based on the ability of the local activity to support and maintain larger, more complex aircraft and the availability of insurance. In any event, the maximum gross weight of flying activity aircraft will not exceed 12,500 pounds.

e. The acquisition or operation of turbine-powered aircraft is not authorized.

M–2. Patrons

Aircraft are flown only by qualified eligible MWR patrons and flight instructors employed by the activity. An exception is that prospective buyers may fly aircraft on local flights when accompanied by a flight instructor or activity member, as determined by the activity manager.

M–3. Passengers

Aircraft passengers are limited to the following individuals.

a. Active, introductory, and nonpilot patrons.

b. Family members of patrons are defined as spouse, children, mother, father, brother, or sister of a flying activity patron, and the mother or father of a patron's spouse.

c. Persons whose official duties require them to be passengers, such as Federal Aviation Administration (FAA) inspectors, flight instructors, and maintenance personnel hired by the local AFA.

d. Bona fide guests of eligible patrons subject to policy established by the garrison commander.

M–4. Aircraft use

a. Use of aircraft is limited to bona fide recreational flights or official temporary duty (TDY) flights. Aircraft are not used for any of the following purposes.

(1) Transporting passengers or cargo for a fee.

(2) Skydiving or sport parachuting activities.

(3) Towing gliders, without prior IMA Region approval.

b. Aircraft and other resources are not loaned, leased, or rented to individuals, groups, or organizations that are not eligible patrons.

M–5. FAA certification

All aircraft, pilots, instructors, and mechanics must hold current FAA certification, as specified in Federal Aviation Regulations, parts 61 and 91.

M–6. Inter-activity flying

Installation flying activities may allow patrons of other flying activities to fly aircraft provided each individual—

a. Presents acceptable proof of patronage in another military installation flying activity.

b. Holds current FAA certification in the type of aircraft to be flown.

c. Complies with all rules and regulations of the host activity.

d. Satisfactorily completes a flight check conducted by a local flight instructor in the type of aircraft to be flown.

M–7. Aircraft equipment and supplies

Aircraft and related supplies and equipment are acquired either through purchase (AR 215–4), or by donation as described in chapter 7. Accountability and classification of property will comply with DOD 7000.14–R, volume 13. Disposition is in accordance with chapter 12.

M–8. Retail sales

The resale of incidental merchandise, such as maps, plotters, flight computers, log-books, and training materials is authorized. Flying activities may also operate snack bars.

M–9. Hold harmless agreement

Use of hold harmless agreements will be in accordance with chapter 7.

M–10. Management

Installation flight activities are carefully and professionally managed by qualified individuals employed as managers on a full-time, part-time, or gratuitous or volunteer basis. Managers employed on a full-time or part-time basis are paid from NAF sources. Employment of off-duty military personnel is governed by AR 215-3; gratuitous services provided by patrons and volunteers is subject to the provisions of chapters 4 and 7, this regulation; DODI 1100.21; and AR 608-1.

a. The flight activity manager is generally a full-time employee who supervises day-to-day operations and has overall responsibility for the following functions.

(1) Schedules flights on a first-come, first-served basis.

(2) Maintains flight records, bulletin boards, charts, status boards, and pilot information files (PIF).

(3) Maintains pilot qualification and currency record for each user in accordance with parts 61 and 91 of the Federal Aviation Regulations.

(4) Supervises activity employees.

(5) Promptly reports mishaps, late aircraft, or other safety information to the activity and installation safety officers.

(6) Ensures that procedures are established requiring the installation aviation element to notify the flying activity of overdue aircraft and other emergencies.

(7) Ensures that no patron is permitted to pilot any aircraft under flying activity control without current FAA flight and medical certificates.

(8) Establishes procedures to ensure compliance with this regulation, Federal Aviation Regulations, and other pertinent directives.

b. The operations officer may be a full-time or part-time employee or gratuitous services patron or volunteer and is generally the most experienced pilot available. The operations officer performs operational functions as assigned by the flying activity manager, to include the following functions listed below.

(1) Provides required flight data to patrons.

(2) Coordinates all local flight areas, ingress and egress routes, and traffic patterns with installation airfield operations personnel, and ensures publication in flying activity directives.

(3) Maintains a PIF for each patron, organized as follows.

(a) A permanent section, to be reviewed annually, that includes this appendix with IMA Region and installation supplements; flying activity regulations, operating instructions, and local installation airfield procedures; Federal Aviation Regulations, parts 61 and 91; and other pertinent safety data.

(b) A temporary section, to be reviewed every 3 months and prior to each flight as pilot-in-command, that includes new material or information of a permanent nature.

(c) A pertinent data section that includes operations and maintenance manuals, DOD and Federal Aviation Regulations restrictions and limitations, and performance specifications for assigned aircraft.

(4) Coordinates operational matters with installation aviation operations and FAA officials, as appropriate.

c. The safety officer may be a full-time or part-time employee or gratuitous services patron or volunteer, but must be a military or FAA-licensed pilot. The safety officer manages the flight safety and accident prevention programs and performs safety functions assigned by the flying activity manager, to include the following.

(1) Coordinates aviation safety matters with the installation safety officer, installation aviation safety officer, U.S. Army Safety Center (USASC), and FAA officials, as appropriate.

(2) Obtains pertinent USASC aviation safety publications for use by the flying activity.

(3) Ensures that safety deficiencies detected by aircraft inspections are recorded and corrected.

(4) Maintains a safety bulletin board.

(5) Conducts a continuing accident prevention program, in coordination with the installation airfield safety officer and the servicing FAA General Aviation District Office.

(6) Conducts safety meetings at least quarterly and publishes resulting minutes within 5 days.

d. The maintenance officer may be a full-time or part-time employee or gratuitous services patron or volunteer. The maintenance officer supervises the flying activity's maintenance program and ensures the airworthiness of aircraft. The maintenance officer should have experience in military or civil aviation maintenance. Possession of an FAA air-frame and power plant mechanic's certificate is desirable, and mandatory where assigned functions require an FAA-certified mechanic or inspector. Functions will be assigned by the flying activity manager and generally include the following duties.

(1) Developing and coordinating maintenance policy, subject to approval by the flying activity manager. The maintenance policy will include the prohibition that licensed and qualified flying activity personnel will not conduct repair and maintenance on non-flying activity aircraft under any conditions.

(2) Grounding all aircraft that are deemed not airworthy, regardless of whether they are owned, leased, or transient.

(3) Coordinating aircraft maintenance matters with installation aviation maintenance and FAA officials, as appropriate.

(4) Developing a maintenance program to correct discrepancies as soon as possible.

(5) Inspecting activity maintenance facilities.

(6) Assuming responsibility for the security of aircraft undergoing maintenance, providing positive means of securing unattended aircraft, and developing procedures to keep aircraft from being flown with uncorrected safety discrepancies.

(7) Ensuring that FAA certification is obtained where required.

(8) Establishing a quality assurance program for fuel used in flying activity aircraft. Fuels supplied by commercial vendors must conform to standards established by the National Fire Protection Association and the American Petroleum Institute.

e. The chief flight instructor supervises and monitors the activities of all flight instructors, and should meet the requirements of Federal Aviation Regulations, part 141, wherever possible. A chief flight instructor may be a full-time or part-time employee or gratuitous services patron or volunteer, or services may be obtained by NAF nonpersonal services contract.

f. Flight instructors conduct flying lessons and related training activities and conduct flight checks as required by FAA or installation regulations. Flight instructors are generally employed part-time or are gratuitous services patrons or volunteers. Services may also be obtained by NAF nonpersonal services contract. Flying activity managers who are not full-time employees may be employed part-time as flight instructors under terms approved by the local Chief, Community Recreation Division. All flight instructors must be FAA certified.

M–11. Aircraft and equipment acquisition

Aircraft are purchased, leased, or rented based on the needs of the flying activity program and patron base, the ability to finance the acquisition, and the ability of patrons and activity staff to operate and maintain the aircraft safely. Each acquisition requires approval of the garrison commander.

a. Need factors.

(1) *Patron-to-aircraft ratios.* Ratios will vary depending on whether operations are primarily pilot oriented or training oriented. A patron base that consists primarily of licensed pilots generally lowers the pilot-to-aircraft ratio. An active flight school that trains student pilots generally raises the ratio.

(2) *Maintenance cost for each flying hour.* The estimated costs of maintenance, inspections, repairs, overhauls, and modifications are weighed against projected flying-hour revenues.

(3) *Fixed costs for new and used aircraft.* Consider the effect of higher depreciation and insurance costs and lower maintenance costs for new aircraft against lower depreciation and insurance costs and higher maintenance costs for used aircraft.

(4) *Aircraft use.* If flight training is a significant activity, standard aircraft will increase efficiency in scheduling and supervision, and enhance safety. If flight training is not a consideration, the ability of patrons to operate higher performance aircraft safely and economically must be a prime consideration.

(5) *Maintenance capability.* The activity must have access to maintenance facilities capable of maintaining the aircraft being considered.

(6) *Financing.* The activity must have the financial resources to buy the aircraft and any associated equipment and must be able to afford long- and short-term maintenance costs.

b. Procurement procedures.

(1) *New aircraft procedures.* Procedures are listed below.

(a) Coordinate the planned acquisitions, in advance, with the NAF Contracting Division, USACFSC.

(b) Obtain command approval.

(c) Submit DA Form 4067–R (Order for Supplies or Services/Request for Quotations (NAF)) with fund citation to USACFSC (CFSC-NC, 4700 King Street, Alexandria, VA 22302-4415). This form is found in the back of AR 215–4.

(2) For used aircraft, coordinate all planned acquisitions through the installation acquisition office, in accordance with local procedures.

(3) Equipment procedures are stated as follows.

(a) Coordinate requirements through the installation acquisition office. Acquisitions that cannot be completed by the installation acquisition office may be referred to the USACFSC NAF Contracting Division.

(b) Equipment and other items purchased for resale in flying activity facilities are identified as such on procurement or purchase requests. Avionics equipment and other controlled items generally are not acquired through procurement channels for resale purposes.

(4) For leasing or renting, coordinate requirements through the installation acquisition office in accordance with installation policy and procedures.

(5) Installation flying activities may not obtain excess Army aircraft on loan from military sources. However, flying activities are authorized to acquire excess Army military aircraft by obtaining prior approval from USACFSC (CFSC-SF).

c. Advance approval. The purchase, lease, or rental of aircraft by flying activities from patrons, military personnel, or civilian Government employees will be reviewed in advance by the installation SJA, and approved by the garrison commander or delegatee, in order to preclude the potential for or appearance of any conflict of interest.

M–12. Petroleum products

Commanders may authorize the sale of petroleum products by flying activities to patrons for reasons of safety. Considerations include requirements for additional landings and takeoffs during periods of heavy air traffic; condensation of moisture in fuel tanks not topped off after landing; and commercial petroleum products not available within a reasonable distance. If the commander authorizes the sale of aircraft petroleum products by the flying activity, the following guidance applies.

a. Aircraft petroleum products intended for resale are purchased from commercial sources.

b. Petroleum products are sold only to patrons of flying activities.

c. Prices charged for the petroleum products are comparable to those charged in nearby civilian communities.

d. Storage of petroleum products is in accordance with Military Standard 161F and Military Handbook 200F. Fuel handling personnel are properly trained.

M–13. Flight publications

a. The U.S. Army Aeronautical Services Agency, Bldg 1466, Suite N319, 9225 Gunston Road, Fort Belvoir, VA 22060-5582, will provide AFA with free issues of publications listed below. Between one and three copies will be provided, depending on the size of the activity and number of aircraft.

(1) En route Low-Altitude Charts (limited to the local flying area).

(2) Terminal Low-Altitude Instrument Approach Procedures (limited to the local flying area).

(3) En route instrument flight rules (IFR) and visual flight rules (VFR) supplements.

b. Flight publications also may be purchased from the National Imagery and Mapping Agency. Publications available are listed in the National Imagery and Mapping Agency Public Sale Catalog of Aeronautical Charts and Publications. Ordering procedures are included in the catalog. The catalog may be obtained from the National Imagery and Mapping Agency, 4600 Sangamore Road, Bethesda, MD 20816–5003.

M–14. Flight operations

a. Local flying area. Each installation will establish a local flying area for flying activity aircraft. Designation of local flying areas is coordinated with the installation Army aviation element to ensure compatibility with Army aviation requirements and is based on the considerations listed below.

(1) Boundaries should be marked by natural or artificial terrain features that are easily identified from the air.

(2) Local flying areas are prominently displayed in classrooms and similar facilities.

(3) Local flying areas will not do the following:

(a) Exceed a 50-nautical mile radius for licensed pilots and a 25-nautical mile radius for student pilots.

(b) Extend more than 5 nautical miles from the coast of the United States.

(c) Approach closer than 5 nautical miles to any international boundary.

b. Local flying area rules. Appropriate rules governing use of local flying areas will be established and published. All rules are coordinated with the local Army aviation element or fixed base operator to ensure compatibility and are cleared with the servicing FAA General Aviation District Office.

(1) Patrons will not pilot flying activity aircraft when fatigued, under the influence of alcohol or drugs, or otherwise incapacitated.

(2) Aerobatic maneuvers are not flown below an altitude of 2,500 feet above ground level (AGL). This is a

minimum and depends on the type of aircraft. Patrons may perform only those maneuvers that are specifically permitted in the aircraft manufacturer's handbook, Federal Aviation Regulations part 91.71, and local flying area rules. A student pilot will not perform deliberate aerobatic maneuvers unless a qualified instructor pilot has access to the controls.

(3) Stalls, steep turns with banks of over 45 degrees, slow flight, and unusual activities are not performed below 1,500 feet AGL, except for maneuvers that are performed for pilot certification.

(4) Night flights are additionally restricted based on the following.

(a) Patrons will not pilot aircraft on night cross-country flights outside of the designated local flying area unless qualified in accordance with Federal Aviation Regulations, part 61.109, and cleared by the AFA flight instructor.

(b) Performance of aerobatics at unusual altitudes is prohibited.

(c) Night instrument training is conducted by an FAA-certified instructor.

(d) Night instrument practice within the local flying area is authorized only when accompanied by a second pilot who has proper current certifications and has access to the flight controls.

(5) Touch-and-go solo landings by student pilots are not permitted unless authorized by an FAA-certified activity flight instructor.

(6) Stop-and-go landings are permitted only when the remaining runway provides the required stopping and acceleration distance.

(7) All flight plans must meet or exceed minimum fuel requirements prescribed by Federal Aviation Regulations, part 91.

(8) Maximum flight time for a single pilot will not exceed 8 daytime hours, 6 nighttime hours, or 7 hours for a combination of both. Minimum crew rest between flight days is 10 hours.

c. Preflight and postflight checks.

(1) Each pilot will perform a preflight check of the aircraft before each flight. This check will ensure that the aircraft is airworthy and that all accessories are complete and in good working order. If a defect is found that could interfere with the safe operation of the aircraft, the flight will not be made.

(2) Postflight checks are performed after each flight. Any defect detected during flight or during the postflight check is reported for correction.

(3) All flight checks are performed using standard checklists, not from memory. Failure of the pilot to make a preflight or postflight check is grounds for disciplinary action. The fact that a postflight check was made by a pilot who used the aircraft earlier in the same day does not relieve any other pilot of the responsibility for conducting required flight checks.

d. Required equipment. Each pilot is responsible for obtaining the proper charts, equipment, and information required for each flight. In addition to equipment required by Federal Aviation Regulations, the following items are kept in the aircraft at all times, unless otherwise specified.

(1) Checklists, including preflight, prestart, warmup, pretakeoff, cruising flight, prelanding, shutdown, and postflight.

(2) Emergency procedures, to include maneuvering speeds, single-engine procedures for multi-engine aircraft, normal fuel consumption, best climb and glide speeds, stalling speed, and lost communications procedures. If not adequately covered in the aircraft manual, procedures are typed on cards with plastic coverings, and maintained in a conspicuous place that is readily accessible to the pilot.

(3) A placard showing compass deviation correction that is visible to the pilot.

(4) Detailed instructions for remaining overnight and flying in severe weather.

(5) A crosswind component chart that applies to the aircraft and charts showing the local flying area and its topographic features.

(6) For visual flight rules (VFR) flights, charts showing the topographic features of the area of flight and publications containing the proper navigational aids.

(7) For IFR flights, charts and flight information publications necessary for instrument departures, en route flights, and instrument approaches.

(8) For all night flights, an emergency light that does not require the use of the aircraft battery.

(9) An emergency locator transmitter for all flights outside of the airport traffic area.

e. Flight planning, review, and clearance.

(1) A flight plan is filed and the pilot's currency in the aircraft to be flown is validated before any flight.

(2) Preflight planning for cross-country flights should verify, as a minimum the following.

(a) Adequacy of intended destination airports and alternates, including runway length. Minimum acceptable runway length is 2,000 feet or the aircraft takeoff or landing roll requirement, whichever is greater, based on actual or forecast conditions.

(b) Accuracy of weight and balance computations and limitations.

(c) Availability of navigation, communications, and en route flight service station facilities.

(d) Applicability of any passenger restrictions.

(e) Adequacy and completeness of charts.

(f) Adequacy of personal equipment.

(g) Adequacy and completeness of flight logs, except for winds, times, and ground speeds. Minimum en route altitude must be no lower than 1,500 feet above ground level (AGL).

(h) That there will be at least 30 minutes of fuel remaining at the end of the flight under VFR conditions, and 45 minutes under IFR conditions.

(i) That flights departing the continental limits of the United States are planned, cleared, and conducted under provisions of the FAA International Flight Manual or the U.S. Air Force Foreign Clearance Guide, as appropriate, and applicable flying activity operating instructions.

(3) The pilot will determine existing and forecast weather conditions prior to the flight and ensure that conditions meet minimum standards for the type of flight planned. VFR minimums are listed below.

(a) Day: 1,500 feet AGL and 3 miles.

(b) Night: 2,500 feet AGL and 5 miles.

(4) Private pilots with 200 hours or more of flying time and commercial pilots may request other VFR minimums.

(5) The flying activity will establish maximum headwind and crosswind standards for each level of pilot certification and aircraft type.

(6) Planning for IFR flights must include the following elements.

(a) Pilots must hold a current FAA instrument certificate and be current with Federal Aviation Regulations and local flying area requirements.

(b) Pilots will ensure that the aircraft is equipped with required instrumentation, and that instruments, communications, and navigation equipment are checked and calibrated according to FAA regulations. Appropriate entries are made in aircraft logs.

(c) Pilots will have in their possession current departure, terminal, and en route flight information publications.

(7) The flying activity will appoint clearing authorities to approve flight plans. Clearing authorities are experienced pilots who have demonstrated mature judgment and safety consciousness. There is no limit to the number of clearing authorities who may be appointed. Clearing authorities have the following responsibilities.

(a) Ensure that pilots are current in all aspects.

(b) Ensure that flight plans are adequate and complete.

(c) Ensure that weather conditions do not present potential difficulties beyond the skill and experience levels of the pilot.

(d) Sign approved flight plans, indicating the date-time group of approval. If no clearing authorities are at the flying activity, telephone clearances may be granted after the pilot briefs the clearing authority on the flight plan, weather, and other pertinent data. Records of telephone clearances are noted on each flight plan.

M–15. Flight training

The continuing operation of or access to a high-quality flight training program must constitute a significant part of installation flying activity operations and is the primary means of promoting interest in aviation, teaching of basic piloting skills to new patrons, and improving the skills of experienced pilots. Flight training programs are certified by the FAA to the maximum practical extent.

a. Each installation flying activity is required to operate or provide access to a primary ground school and a primary flight training program, based on the curriculum outlined in Federal Aviation Regulations, part 141.

b. The chief flight instructor has primary responsibility for planning, conducting, and managing flight training programs, and supervising the performance of flight instructors. Related functions are summarized as follows.

(1) Develop operating instructions for flight instructors that include the following provisions.

(a) Flight instructor's duties and responsibilities.

(b) Standardized flight check procedures.

(c) Course outlines for each program.

(d) Endorsement requirements for student certificates and logbooks specified by Federal Aviation Regulations, part 61.

(2) Establish standard dual and solo training cross-country routes.

(3) Structure training programs to satisfy the following requirements.

(a) Navigation training with increasingly graduated degrees of difficulty.

(b) Use of both controlled and uncontrolled airports.

(c) Civil weather briefing, flight plan filing, and closing procedures.

(d) Visual and navigational aids orientation procedures.

(e) Interpretation and use of all aircraft owner's manual operating instructions.

(f) Calculation and use of density altitude.

(4) Develop detailed operating instructions for deteriorating weather and lost procedures, and ensure that copies are aboard each aircraft during flight.

c. Flights by student pilots are subject to the following restrictions.

(1) Solo cross-country flights are limited to daytime hours.

(2) Solo cross-country flights may be flown into destination airports that have not previously been used only when the student pilots have the following requirements.

(a) Met all dual cross-country requirements.

(b) Completed 3 hours of solo cross-country flying into airfields where they have previously executed satisfactory traffic patterns in dual flights with instructors.

(3) Each cross-country route is a closed course requiring no more than 1 flying day to complete.

d. Any pilot, including rated military pilots, without solo cross-country experience in the past 2 years must complete the following requirements before being cleared to fly as pilot-in-command of a cross-country flight.

(1) Satisfactorily complete dual navigation instruction with a certified flight instructor.

(2) Satisfactorily complete an oral test on flight planning.

e. Training in simulated forced landings is authorized, provided the aircraft is not allowed to descend below 250 feet AGL unless the landing is on an authorized runway. Pilots will practice forced landings only when accompanied by a flight instructor.

f. Training and checkouts in retractable-gear aircraft will require demonstrating proficiency in the following performance factors for the type of aircraft to be flown:

(1) The proper use of checklists.

(2) Retractable gear operation.

(3) Propeller operation.

(4) Emergency procedures.

(5) Various types of approaches and flap settings.

g. The conduct of training flights involving student pilots is subject to the following restrictions:

(1) Only the instructor pilot and pilots receiving flight checks are permitted aboard a qualification check flight.

(2) Only the instructor pilot and the pilots receiving instruction are permitted aboard a training flight.

(3) The chief flight instructor may authorize the carrying of passengers on training or qualification check flights in exceptional circumstances that require the pilot to demonstrate competence in other than minimum weight conditions or with other persons on board. Approved flights are flown only when an instructor pilot, qualified in the aircraft model and type, occupies the co-pilot seat.

(4) These restrictions do not apply to FAA inspectors and others whose official duties require observation of training or qualification flights.

M–16. Flight standardization

Each installation flying activity will conduct an ongoing flight standardization program to verify or revalidate the flying skills of licensed pilots periodically, ensure that flight checks and procedures are carried out uniformly, and standardize operating procedures for each type of aircraft. Standardization requirements are listed below.

a. Pilot standardization checks. A certified flight instructor will administer a standardization evaluation flight check to each pilot—

(1) Prior to initial VFR solo flight in each aircraft type.

(2) Prior to initial IFR flight as pilot-in-command.

(3) Prior to initial VFR night flight.

(4) Every 12 months.

b. Flight checks. Flight instructors will administer initial checkouts to flying activity patrons as follows.

(1) Written exams on the aircraft, Federal Aviation Regulations, and local procedures. A grade of 85 percent is required. Completed exams will be retained in the patron's PIF.

(2) Demonstration of flying proficiency appropriate to the certificate held. Aircraft is flown under maximum gross weight conditions, if considered necessary by the chief flight instructor.

(3) The performance of three takeoffs and landings to the satisfaction of the flight instructor.

c. Instructor checks. The chief flight instructor will administer instructor checks as specified in Federal Aviation Regulations, part 141.79, to include the following:

(1) A written examination on aircraft, instruction techniques, Federal Aviation Regulations, and local procedures. A grade of 85 percent corrected to 100 percent is required. Completed exams are retained in each instructor's PIF.

(2) Flight checks, as considered appropriate by the chief flight instructor.

d. Chief instructor checks. The chief instructor is checked as required by the FAA. Results are retained in the chief instructor's PIF.

e. Instrument flight checks. These checks are administered every 12 months to patrons who hold IFR flight

authorization. A patron disqualified by any instrument flight check may not fly IFR flights until additional training is received and a recheck is successfully completed. Requirements are listed below.

(1) The check must be administered by a certified instrument flight instructor.

(2) The patron is required to demonstrate standards of flying proficiency and knowledge of procedures appropriate to the instrument rating.

(3) Written exams on instrument procedures, Federal Aviation Regulations, and local procedures will be graded, corrected, and filed in the patron's PIF. A grade of 85 percent corrected to 100 percent is required.

f. Twelve-month checks. This check requires at least 1 flight hour and three landings in the most complex aircraft in which the patron is current. Aircraft complexity will rank from fixed gear, fixed propeller, and less than 200 horsepower, through fixed gear, constant-speed propeller, cowl flaps, and more than 200 horsepower, to retractable gear, constant-speed propeller, and more than 200 horsepower. Requirements are stated as follows.

(1) The pilot must demonstrate standards of flying proficiency appropriate to the certificate held.

(2) Written examinations on the aircraft, Federal Aviation Regulations, and local procedures are graded, corrected, and filed in each patron's PIF. A grade of 85 percent corrected to 100 percent is required.

g. Night VFR checkouts. Pilots having a current private license and day VFR checkout must fulfill the following requirements to the satisfaction of the flight instructor prior to night flight.

(1) At least three takeoffs and landings to a full stop, with emphasis on correct patterns.

(2) A tour of the local flying area that identifies local area landmarks and all obstacles to air navigation.

(3) One very high frequency/direction finding or surveillance approach, if facilities are available.

(4) At least three landings at each night-capable airport in the local area.

(5) Appropriate maneuvers for night VFR flights.

(6) Use of aircraft landing lights during the first night approach.

h. Alternate checks. The successful completion of an FAA flight check conducted by an FAA inspector may, at the discretion of the chief flight instructor, be accepted in place of one or more of the required flight checks. However, required written examinations are administered and graded by a flying activity flight instructor, and all other currency qualifications specified in Federal Aviation Regulations and this appendix are satisfied.

(1) Patrons desiring to fly as pilot-in-command must satisfy FAA requirements and the requirements of this appendix.

(2) Medical requirements for glider pilots are the same as for pilots of powered aircraft.

(3) The flying activity manager will maintain the currency status of all pilots, to include aircraft type, health status, and expiration dates. A pilot who loses currency in a specific type of aircraft is required to repeat the initial checkout for that type of aircraft.

(4) Day currency requirements are stated below.

(a) Student pilots must demonstrate proficiency at least once every 30 days by performing a dual instructional flight and landing to the satisfaction of the flight instructor. Solo flights are not attempted until satisfactory completion of progress checks and approval of the flight instructor. Students must maintain currency in only one type of aircraft.

(b) Private pilots with less than 200 hours of pilot time must accomplish at least 1 hour of pilot time and three landings every 60 calendar days in the most complex aircraft in which qualified.

(c) Private pilots, commercial pilots, and instructor pilots, with more than 200 hours of pilot time must accomplish a minimum of one hour of flight time and three landings every 90 calendar days in the most complex aircraft in which qualified.

(5) For night currency, at least 1 hour of night flight time, with three takeoffs and three landings to a full stop, must be accomplished within the time periods prescribed for day currency. Night flights also fulfill day currency requirements. A pilot who does not meet night currency requirements but remains current in all other requirements is allowed a 30-day grace period in which to regain currency. Night flights during this period are flown either solo or with a flight instructor. Following the 30-day grace period, night currency is regained through an initial night flight check.

(6) Instrument currency is maintained in accordance with Federal Aviation Regulations, part 61.

M–17. Safety and accident prevention

Each installation flying activity must conduct a vigorous safety and accident prevention program to promote and enforce safe flying practices, conduct related education and training programs, and generally, ensure that safety considerations are integrated into management activities and all maintenance and flight operations.

a. The flying activity safety officer will manage the safety and accident prevention program in accordance with the provisions of paragraph M–10*c*, above.

b. The installation aviation safety officer serves as advisor to the flying activity and has the following responsibilities.

(1) Coordinates activities with the flying activity safety officer.

(2) Conducts safety inspections of the flying activity, as prescribed by the garrison commander.

(3) Ensures that safety discrepancies noted during inspections are corrected.

(4) Makes accident prevention information available. This information includes mishap reviews, inspection reports, posters, safety magazines, training aids, and operational hazard reports.

(5) Assists in reporting flying activity accidents and incidents required by this appendix and the National Transportation Safety Board (NTSB) Safety Investigation Regulation (SIR), part 830.

c. The U.S. Army Safety Center (USASC) supports installation flying activities as follows.

(1) Providing safety assistance visits.

(2) Maintaining flying activity mishap statistics based on reports required by this appendix and AR 385–40.

(3) Providing USASC aviation safety publications applicable to flying activities.

d. Patrons appointed as safety officers are required to attend the USASC aviation safety course. The supporting NAFI will pay transportation, travel, and per diem. Attendance is coordinated with USACFSC (CFSC-CR). Safety officers who have previously completed a formal aviation safety course are exempted by USACFSC.

e. The safety officer is alert to potential hazards and recommends changes in operations, procedures, methods of instruction or supervision, and life support and airdrome facilities as they pertain to flight safety.

f. Flying activity aircraft will be operated in a safe manner at all times, and in compliance with this appendix, local installation directives, and applicable FAA directives. Local operating procedures will prohibit unsafe acts that expose individuals to possible injury, jeopardize life, or expose an airframe to conditions that may result in damage or destruction. Specific prohibitions must include the elements below.

(1) Buzzing or hedgehopping in violation of minimum safe altitudes.

(2) VFR flights in violation of VFR minimums.

(3) Flights in the vicinity of clouds in violation of minimum clearance distance.

(4) Operating aircraft beyond the manufacturer's stated operational limitations.

(5) Unauthorized aerobatics.

g. Undue stresses, such as hard landings or severe turbulence, is recorded in the aircraft flight log, and the aircraft is properly inspected and declared airworthy before being released for further flight.

h. Ground safety is included within the scope of the safety and accident prevention program. Army regulations and other relevant instructions also apply to flying activities.

i. The safety officer will conduct quarterly safety meetings and prepare minutes. Safety meetings are professional, stimulate interest, and should provide the following.

(1) Using guest speakers, such as control tower operators, flight surgeons, engine specialists, weather experts, FAA officials, and others involved in aspects of flight safety.

(2) Discussing the following subjects, as local needs dictate.

(a) Army and IMA Region policies and directives.

(b) FAA regulations.

(c) Local flying area problems.

(d) Seasonal flying hazards, to include weather.

(e) Light aircraft maintenance and potential problem areas.

(f) Light aircraft accident briefs.

(g) Wake turbulence, flight planning, and fuel management.

(h) Emergency and lost procedures.

(i) Spatial disorientation, hypoxia, and survival.

(j) Recurring problems, such as seasonal weather, crosswinds, and wake turbulence.

j. Attendance at safety meetings is mandatory for all activity patrons. Patrons who fail to attend a meeting are denied flying privileges until they review the minutes of the meeting or are briefed on the meeting by the safety officer or a designee. Records of attendance and make-up readings or briefings are maintained for 1 year.

M–18. Accident reports

a. Reports. AR 385-40 contains policy on accident and incident classification; submission of initial worksheet reports; follow-up technical reports to the initial worksheet reports; and abbreviated accident reports and the types of aviation and ground accidents to be reported.

b. Army Flying Activity Accident Report. Accidents involving AFA aircraft will be reported to the NTSB in accordance with NTSB Regulation 49, Part 830. Copies will be provided to USACFSC (CFSC-CR and CFSC-FM) at the street address in paragraph M-1.

c. Reporting requirement. The fund manager of the IMWRF, responsible for the AFA, will report all accidents in accordance with AR 385-40, in coordination with the installation safety office and the SJA.

M–19. Accident investigations

The commander will appoint a rated Army aviator to investigate any accident that requires submission of a report

involving AFA aircraft. Accident investigations are conducted in accordance with AR 385-40 and the following guidance:

a. Conducted for the sole purpose of determining causes and preventing the recurrence of similar accidents. Investigations involving line of duty status, liability, or personal misconduct are conducted separately.

b. Local investigations must not interfere with or obstruct NTSB or FAA investigations, or investigations conducted by the International Civil Aviation Organization in foreign areas. Local investigations are conducted in cooperation with other investigating agencies to the extent feasible.

c. Release of accident investigation and information is governed by AR 385-40.

M–20. Aviation maintenance

a. Aircraft is maintained in accordance with applicable FAA directives and the specifications of aircraft manufacturers.

b. Systematic maintenance programs are established that provide for scheduled inspections, routine maintenance, and major overhauls of airframes, engines, and other components. Deviations from established schedules are permitted only in exceptional circumstances. Maintenance schedules for Government aircraft on loan to installation flying activities is not changed without prior approval of the Commander, Aviation and Troop Support Command at Army Aviation and Missile Command (AMCOM), ATTN: AMSAM–MMC–MA, Redstone Arsenal, Huntsville, AL 35898–5000.

c. The maintenance program is based on aircraft inspections conducted at specified intervals, and prompt correction of any discrepancies found. Compliance with inspection periods recommended by the aircraft manufacturer and FAA is mandatory. Minimum inspection requirements are as follows.

(1) Pilot's preflight and postflight inspections.

(2) Minor inspections, as recommended by aircraft and engine manufacturers.

(3) Major inspections at 100-hour intervals or progressive inspection programs approved by both the aircraft manufacturer and the FAA.

(4) Annual inspections for airworthiness certification.

(5) Periodic activity inspections.

d. Maintenance quality control will include, but not be limited to the following.

(1) Currency of inspections.

(2) General condition of aircraft and associated equipment.

(3) Compliance with aircraft modification equipment manuals.

(4) Adequacy and currency of maintenance manuals.

(5) Adequacy and condition of facilities.

(6) Safety practices.

(7) Security of aircraft while undergoing maintenance.

e. The maintenance officer will ensure that the following maintenance records are maintained.

(1) Aircraft and engine logbooks, as required by the FAA.

(2) Aircraft flight manuals, equipment lists, and repair and alteration records required by the FAA.

(3) Running maintenance logs documenting the recent maintenance history of each aircraft. Logs will include a record of the discrepancies noted by the pilot, a complete record of corrective actions, and the signature of the person releasing the aircraft for flight. Uncleared discrepancies require the aircraft to be grounded until corrective action is completed.

M–21. Annual status report

Installation flying activities will prepare and submit an annual status report (RCS AG848) summarizing patronage, flight operations data, and related information.

a. Reports are prepared using DA Form 4909–R (Army Flying Activity Annual Status Report). A copy of DA Form 4909–R is included at the end of this regulation and may be reproduced locally.

b. Reports are based on activities occurring during each fiscal year.

c. Completed reports are forwarded to USACFSC (CFSC-CR), at the address in paragraph M–1, and must be received by 31 October annually. Copies are provided to the garrison commander and appropriate IMA Region.

Glossary

Section I
Abbreviations

A&R
athletic and recreation

AAFCWF
Army and Air Force Civilian Welfare Fund

AAFES
Army and Air Force Exchange Service

ABC
American Bowling Congress

ABIF
Army Banking and Investment Fund

ACIF
Army Central Insurance Fund

ACS
Army Community Service

ACSIM
Assistant Chief of Staff for Installation Management

AD
active duty

AFA
Army flying activities

AFPEO
Armed Forces Professional Entertainment Overseas

AFRC
Armed Forces Recreation Center

AFRTS
Armed Forces Radio and Television Service

AGL
above ground level

AIT
advanced individual training

AMC
Air Mobility Command

AMSC
Army Motorcycle Safety Course

AMWRF
Army Morale, Welfare, and Recreation Fund

AOB
annual operating budget

APF
appropriated fund

ARMP
Army Recreation Machine Program

ARNG
Army National Guard

ARMTF
Army Recreation Machine Trust Fund

ARSTAF
Army Staff

A&R
athletic and recreation

ASA(FM&C)
Assistant Secretary of the Army for Financial Management and Comptroller

ASA(M&RA)
Assistant Secretary of the Army for Manpower and Reserve Affairs

ASA(IL&E)
Assistant Secretary of the Army (Installations, Logistics, and Environment)

ASD(FM&P)
Assistant Secretary of Defense (Force Management and Personnel)

ASIP
Alcohol Sellers Intervention Program

ASPSO
activity sport parachuting safety officer

AT
annual training

ATF
alcohol, tobacco, and firearms

BOD
Board of Directors

BCT
basic combat training

BOSS
Better Opportunities for Single Soldiers

BRAC
base realignment and closure

CAC
Community Activity Centers

CAO
central accounting office

CCB
Configuration Control Board

CDC
child development center

CDS
Child Development Services

CFR
Code of Federal Regulations

CJA
claims judge advocate

COD
Community Operations Division

COE
Corps of Engineers

CONUS
continental United States

COR
contracting officer's representative

CPAC
Civilian Personnel Advisory Center

CPMC
capital purchases and minor construction

CPO
civilian personnel office

CIRB
Capital Investment Review Board

CTA
common table of allowances

CTO
Commercial Travel Office

DA
Department of the Army

DAR
daily activity report

DCA
Director of Community Activities

DEH
Director of Engineering and Housing

DFAS
Defense Finance and Accounting Service

DG
design guide

DMA
Defense Mapping Agency

DOD
Department of Defense

DODAAC
DOD Activities Address Directory

DODD
Department of Defense Directive

DODI
Department of Defense Instruction

DOD MWR USA
Department of Defense Morale, Welfare, and Recreation Utilization, Support, and Accountability

DOL
Director of Logistics

DPW
Director of Public Works

DRM
Director of Resource Management

DRMO
Defense Reutilization and Marketing Office

DSN
Defense Service Network

DZSO
drop zone safety officer

ECECS
Executive control and essential command supervision

EEC
emergency essential civilian

FAA
Federal Aviation Administration

FAO
finance and accounting office

FAR
Federal Acquisition Regulation

FB&E
Food, beverage, and entertainment

FCC
family child care

FDIC
Federal Deposit Insurance Corporation

FICA
Federal Insurance Contribution Act

FMD
Financial Management Division

FO
field office

FPCON
force protection conditions

FPM
Federal Personnel Manual

FRB
Federal Reserve Bank

FTS
full-time support

FY
fiscal year

GS
general service

GTS
Government Travel System

HQ
Headquarters

HQDA
Headquarters, Department of the Army

IFR
Instrument flight rules

IMA
Installation Management Agency

IMWRF
installation MWR fund

IRS
Internal Revenue Service

ISPSO
installation sport parachuting safety officer

ISR
Installation Status Report

ITR
Information, Ticketing, and Registration

JFTR
Joint Federal Travel Regulations

JTA
Joint Table of Allowances

JTR
Joint Travel Regulations

KMC
Kilavea Military Camp

MACOM
major Army command

MCA
Military construction, Army

MDEP
Management Decision Evaluation Package

MILCON
military construction

MILDEP
military department

MIPR
Military Interdepartmental Purchase Request

MIS
management information system

MISSC
Management Information Systems Steering Committee

MOA
memorandum of agreement

MOS
military occupational specialty

MOU
memorandum of understanding

MPA
Military Personnel, Army

MPPV
malfunction patron payment voucher

M&R
maintenance and repair

MSC
Military Sealift Command

MTOE
modification table of organization and equipment

MWR
morale, welfare, and recreation

MWR BOD
Morale, Welfare, and Recreation Board of Directors

NAF
nonappropriated fund

NAFI
nonappropriated fund instrumentality

NAFISS
Nonappropriated Fund Information Standard System

NAFMC
nonappropriated fund major construction

NCO
noncommissioned officer

NIBD
net income before depreciation

NTSB
National Transportation Safety Board

OCONUS
outside the continental United States

OMA
Operation and Maintenance–Army

OMAR
Operation and Maintenance–Army Reserve

OPM
Office of Personnel Management

OSD
Office of the Secretary of Defense

OSJA
Office of the Staff Judge Advocate

PAO
public affairs office

PCS
permanent change of station

PEG
Program Evaluation Group

PIF
pilot information files

POC
point of contact

PO
private organization

POL
petroleum, oil, and lubricants

POM
Program Objective Memorandum

POV
privately owned vehicle

POW
prisoner of war

PPBES
Planning, Programming, Budgeting Execution System

PPV
public-private ventures

PRD
Personnel Requirements Document

PVA
Project Validation Assessment

QCCS
Child Development Services

QDPC
soldier morale, welfare, and recreation

QMIS
HQ Overhead

QYDP
Youth Services

RC
Reserve Components

RDT&E
research, development, test, and evaluation

RCYET
Regional Child and Youth Evaluation Team

RIMP
U.S. Army NAF Risk Management Program

ROI
return on investment

ROTC
Reserve Officers' Training Corps

R&R
rest and relaxation

SA
Secretary of the Army

SAS
School Age Services

SF
standard form

SIM
Skydiver Information Manual

SIR
serious incident report

SJA
Staff Judge Advocate

SM
supplemental mission

SNN
standard nonappropriated fund instrumentality number

SOFA
Status of Forces Agreement

SOP
standarding operating procedures

SSE
self-sufficiency exemption

STAMIS
Standard Army Management Information System

TDAs
table of distribution and allowances

TDY
temporary duty

TH
Transient housing

TJAG
The Judge Advocate General

TMDE
test, measurement, and diagnostic equipment

TOE
table of organization and equipment

TPC
Total project cost

TRADOC
U.S. Army Training and Doctrine Command

USA
utilization, support, and accountability

USAAA
U.S. Army Audit Agency

USACE
U.S. Army Corps of Engineers

USACFSC
U.S. Army Community and Family Support Center

USAPT
U.S. Army Parachuting Team (Golden Knights)

USAR
U.S. Army Reserves

USARC
U.S. Army Reserve Command

USAREC
U.S. Army Recruiting Command

USAREUR
U.S. Army Europe

USARPAC
U.S. Army Pacific

USASC
U.S. Army Safety Center

USC
United States Code

USCF
United States Chess Federation

USDB
U.S. Disciplinary Barracks

USGA
United States Golf Association

USMA
U.S. Military Academy

USMJ
Uniform Code of Military Justice

USPA
United States Parachute Association

VFR
visual flight rules

VIN
Vehicle Identification Number

WCAP
World Class Athlete Program

WIBC
Women's International Bowling Congress

YS
Youth Services

Section II
Terms

Actual cash value
The replacement cost of the property at the time of loss, less depreciation. Sentimental, historical, or similar factors do not increase the value of property for insurance purposes.

Agreed amount
A stated value of insured property, the full amount of which is payable if a total loss happens.

Alcohol beverage
Potable beverage containing any amount of ethyl alcohol. This includes wines, malt beverages, and distilled spirits.

Alteration
Change to interior or exterior facility arrangements to improve use of the facility for its current purpose. This includes installed equipment made a part of the existing facility. Additions, expansions, and extensions are not alterations.

Appeal authority
The next higher authority over the approving authority. The garrison commander if the approving authority is the DCA; the DCA if the approving authority is the ADCFA. The appeal authority may not act as both the approving and appeal authority. A person who had personal responsibility or accountability for the property listed on a report will not act as appeal authority. In such cases, the next higher authority will be the appeal authority.

Appropriated funds
Monies made available to the MILDEPs by the Congress of the United States. Such appropriations are of two types: annual and multi-year. The purposes for which these funds are appropriated are specified by Congress in its appropriation acts.

Approving authority
Appoints investigating officers. Next higher authority over the fund manager/investigating officer (the DCA if the fund manager of the IMWRF is the ADCFA; the ADCFA if the fund manager designates the Services Division Chief). No person may act as an approving authority who has personal responsibility for the property listed on a report at the time that property became lost, damaged, or destroyed. In such cases, the next higher authority in the chain of command will act as approving authority.

Army lodging facilities
Provides short-term accommodations for visitors to the installation and military personnel who are temporarily without permanent housing due to PCS. Lodging includes both UPH(TDY) housing and guest houses. Facilities, furnishing, services, and amenities should be comparable to moderately-priced commercial hotel and motel accommodations.

Army MWR Fund
Army central nonappropriated fund managed by USACFSC that provides up to 90 percent of funds for approved NAF major construction and supports other Army-wide MWR programs. Successor to all IMA Region Single MWR Funds.

Army Recreation Machine Fund
Army central nonappropriated fund administered for revenue produced from the recreation machine program.

Army Recreation Machine key control custodian
Individual officially designated to control, safeguard, and secure keys to amusement and vending machines or recreation machines and stands.

Army Recreation Machine Program field office
The ARMP management organization that is responsible for day-to-day recreation machine activities in a designated geographic area.

Army Recreation Machine Program installation
Any installation in which recreation machines are located.

Au pair
A young adult, 18-26 years of age, from another country, accepted by a State Department-approved au pair organization, and afforded the opportunity to learn and live with a military family within the United States while attending an accredited post-secondary institution of higher education for not less than six hours of academic credit or its equivalent. The host family assumes responsibility for the au pair's room and board, remuneration of childcare services provided, and other contractually agreed upon expenses for the duration of a minimum period of twelve months as required by the State Department.

Bona fide guest
A person who is actually a house guest, or a person whose presence as a guest is in response to an invitation for a specific occasion and for whom the host is willing to assume responsibility, including payment for services and products received.

Borrowed military manpower (BMM)
Use of military manpower from a TOE unit to perform duties in a TDA activity where a IMA Region-approved manpower requirement exists but for which no manpower space has been authorized. BMM may be employed in those cases where manpower spaces have been authorized, but the positions are vacant. See also special duty and troop diversion.

Budget approval
Approval by the IMA Region of the IMWRF operating, CPMC, cash and APF/NAF budgets. This is the financial review which constitutes approval to expend NAFs, except for major construction which requires Congressional approval.

Capital expenditure
Purchase or construction of a fixed asset.

Capital purchases (CPs) and minor construction (MC) (CPMC)
a. CP. Items ranging in cost from $1,000 to $199,000 whether or not construction is involved, and over $200,000 where there is no construction involved; for example, bulk purchase of like items, or single projects such as a telephone system.
b. MC. Construction projects ranging in cost from $200,000 to $750,000.

Cash (drop) box
A container within the recreation machine stand that collects coins when the hopper contains a predetermined number of coins.

Cash collection (drop)
The activity in which coins are periodically collected from the cash boxes, counted and funds deposited. Representatives from USACFSC, the local command, and the NAFI are required to participate in the process.

Casualty insurance
Insurance which covers a liability imposed on the organization through legal determination or through the acts of one's employees. Included are general or tort liability, automobile and aircraft liability, workers' compensation, and fidelity losses.

Clear and present danger
Those highly unusual circumstances which exist whenever the danger is real, not imaginative, and immediate or imminent, not merely potential; and a showing is made that the use of a NAFI or government passenger carrier would provide protection not otherwise available.

Command representative
Individual designated by the garrison commander or his/her representative to participate in the cash collection process. Individual cannot be an employee of or assigned to NAFIs participating in the Army Recreation Machine Program.

Commercial insurance
Transfer of risk to a commercial or State corporation through the purchase of an insurance contract. The terms of the contract establish the conditions of acceptance by the insurer and the degree of risk transferred.

Commitment
An administrative reservation of funds against a future obligation.

Compelling operational considerations
Circumstances with an element of importance essential to the successful accomplishment of the agency's mission or necessary for an agency's mission or necessary for an agency's efficient operation.

Concessionaire
Entrepreneur under contract to a NAFI for the purpose of providing services typically for resale by the concessionaire to authorized MWR patrons.

Construction
The erection, installation, or assembly of a new facility; the addition, expansion, extension, alteration, or replacement of an existing facility; the relocation of a facility from one installation to another; the related site preparation, excavation, filling, landscaping, or other land improvements.

Construction Requirements Review Committee
A HQDA committee that provides an Army-wide perspective to all military construction programs.

Conversion
Work required to adjust interior arrangements or other physical characteristics of an existing facility, or part of a facility, so it may be used for a new purpose. This includes equipment installed in, and made a part of, the existing facility. A conversion always results in a change in facility category code.

Consumable
Any item or article that is consumed or used up in the course of serving its intended purpose. Includes, but is not limited to, all resale items, plastic glasses and cups, paper napkins, cleaning supplies, postage stamps, and aviation fuel.

Container (SEAVAN)
Commercial or Government-owned shipping containers that are moved via ocean transportation. Such containers are lifted on and off the ship.

Continential United States (CONUS)
The 48 contiguous States and the District of Columbia.

Controlled equipment
Items that cost $50 or more, but do not meet criteria of fixed asset accountability. Controlled equipment is not capitalized, but is accounted for on property control records. Items with a unit cost of less than $50 are not subject to property control except for sensitive items.

Coordinating installation
An installation which is assigned responsibility for coordinating specific types of intra-service support within a prescribed geographical area. It is not necessarily the supporting installation. It is the installation to contact to determine what installation provides support.

Current assets
Cash and other assets that may be converted to cash, or sold or consumed for cash within a year or less through the normal business operations.

Current liabilities
Obligations that are due within a year and are to be paid from current assets.

Dependent
See family member.

Direct expense
Any costs incurred for the benefit of and traceable to a specific activity.

Dispense
Selling by the drink or a group of separate drinks. Included in dispensing is the sale of wine by the bottle for consumption on the premises.

DOD component
Any of the MILDEPs, DOD agencies, the Army and Air Force Exchange Service, and the Office of the Secretary of Defense.

DOD newspapers
Authorized publications that support DOD command information requirements. They include the following:

a. Civilian enterprise newspapers published by commercial publishers under contract to DOD Components or subordinate commands. The news and editorial content is prepared by the PAO staff. Advertising is sold by the publisher on the same basis as other commercial newspapers. They become property of the command, installation, or intended recipient upon delivery in accordance with terms of the contract.

b. Funded newspapers published by DOD Components or their subordinate commands using APFs. Normally, the editorial content is prepared by the PAO staff. These newspapers are usually printed under contract by a commercial publisher in accordance with DOD or component printing regulations. No paid advertising is displayed.

c. Overseas Unified Command newspapers provide world, U.S., and regional news from commercial sources, plus syndicated columns, editorial cartoons, and applicable U.S. Government, DOD Component, and subordinate command news and information. Includes the 'Stars and Stripes.' Paid advertising must be from companies whose merchandise, goods and services are sold in exchanges, commissaries, or MWR activities.

d. News bulletins and summaries published by isolated commands and ships. Compiled from national and international news obtained from authorized sources. News bulletins or summaries may be authorized by the next higher echelon of command when no daily English-language newspapers are readily available.

DOD personnel
Active duty military personnel, retired military, reservists, and DOD civilian employees paid from APFs or NAFs.

Durable supply items
Items that must be accounted for.

Elements of expense/resource
Specific types of resources consumed in or applied to MWR activities in the execution of MWR programs. Appendix D identifies operating and support costs as to purpose, as differentiated from fund fiscal administration (AR 37-100).

Emergency
Circumstances which exist whenever there is an immediate, unforeseeable, temporary need to provide home to work transportation for those employees who are critical to the performance of the agency's efficient operation.

Essential feeding
Food service provided by a club during mobilization and emergencies.

Excess foreign currencies
Currencies of countries held by the U.S. Treasury in excess supply for all U.S. Government needs and periodically declared to the Office of Management and Budget by the U.S. Treasury as excess. The lists of countries are transmitted to DOD Components from time to time by appropriate DOD issuances.

Exchange student
A student from another country, accepted by a school-sponsored exchange student program, afforded the opportunity to learn and live with a military family within the United States while attending school for one academic year or semester. The host family assumes responsibility for the student's room and board. The student's parents provide the student with an appropriate allowance. Payment for round-trip airline tickets issued to their final destinations and medical coverage for the entire duration of the child's stay with the military family in the United States are determined by the school-sponsored program.

Exchanges
MWR program which provides reimbursable goods and services to authorized patrons and funds to support other designated MWR programs. Exchange programs include, but are not limited to, motion pictures, retail stores, gasoline filling stations, package beverage stores, car washes, laundries, book stores.

Executive control and essential command supervision
Those managerial staff functions and positions located above the direct program managerial and operational level of individual MWR programs that support planning, organizing, directing, coordinating, and controlling the overall operations of MWR programs and activities. ECECS consists of program, fiscal, logistical, and other management functions that are required to ensure oversight and that are separate from the daily working level activities and tasks of the MWR programs. ECECS does not include the direct operation of individual MWR programs and activities.

Expendable supplies
Items of supply with a limited life expectancy that lose their identity after use over a short period of time.

Expenses
Costs that have been consumed or realized in the process of current operations, or the production of revenue or income.

Facility improvement project
NAF major construction or CPMC project involving a scope of work that will produce a complete and usable improvement to an existing facility. The scope of work includes construction, maintenance and repair, and furnishings and equipment (each separately budgeted/funded) included in the overall improvement plan. A facility improvement project normally involves some construction or structural change to an existing facility, such as addition or removal of walls, doorways, etc., as opposed to the normal replacement of individual fixed assets.

Facility manager
Annex or activity manager of the location where the Army recreation machines are installed.

Family member
a. Spouse of a sponsor.
b. Unremarried widow or widower of a member or former member of a uniformed service.
c. Unmarried child of a sponsor, including an adopted child, stepchild, foster child, or ward, who either--
(1) Has not passed his/her 21st birthday.
(2) Is incapable of self-support because of a mental or physical incapacity that existed before that birthday and is (or was at the time of the member's or former member's death) in fact dependent on the sponsor for over one-half of his/her support.
(3) Has not passed his/her 23rd birthday, is enrolled in a full-time course of study in an institution of higher learning approved by a Secretary of an executive department specified in 10 USC Section 1073, and is (or was at the time of the member's or former member's death) in fact dependent on the sponsor for over one-half of his/her support.
d. A parent or parent-in-law of a sponsor who is (or was at the time of the member's or former member's death) in fact dependent on the sponsor for one-half of his/her support and residing in the sponsor's household.

Field work
Work performed by an employee whose job requires performance at locations that are a significant distance from the place of employment. The designation of a work site as a 'field office' does not, in itself, permit the use of a NAF or Government passenger carrier for home to work transportation.

Financial management
Aspect of total management that provides direction, guidance, and control of financial operations to achieve program objectives by planning, budgeting, accounting, reporting, managing resources, auditing, analyzing, and evaluating.

Fixed assets
Assets with productive or service lives longer than 2 years and unit costs of $1,000 or more that are used for the production or sale of other assets or services. These assets are capitalized and depreciated. NAF expenditures for building construction, improvements, and alterations are capitalized and depreciated as fixed assets at the installation level. (Transfer of these assets to the U.S. Army Corps of Engineers upon completion does not affect this.) Even if the project is funded by the AMWRF, the completed project is capitalized and depreciated by the installation. Bulk purchases of like items that exceed $1,000, regardless of the unit cost, may be capitalized and depreciated.

Flexible employee
An employee serving in an indefinite position on either a scheduled or an as needed basis. There is no upper limit to the hours a flexible employee may work (subject to overtime obligations and work scheduling requirements).

Foreign areas
All areas outside the 50 States, Puerto Rico, and the possessions of the United States, including the trust territory of the Pacific Islands.

Foreign goods
Goods produced or manufactured in a foreign country and physically located outside the United States, its possessions, or Puerto Rico, or in bonded warehouses or foreign trade zones within the United States, its possessions, or Puerto Rico. This excludes the acquisition of foreign-made or -produced merchandise from sources within the United States.

Foreign national employee
A citizen of an overseas host country or other foreign country who is employed by a NAF and receives compensation from NAFs.

Formal investigation
An investigation conducted under the provisions of AR 15-6.

Foster child
A child, other than a sponsor's natural child, who resides in a sponsor's home, and whose care, comfort, education, and upbringing have been entrusted to the sponsor on a temporary or permanent basis by a court or civilian agency, or by a natural parent of the child.

Foster Grandparent Program
A program that offers low-income persons age 60 and over the opportunity to provide individualized attention to children with special and exceptional needs, including those who are neglected, abused, or developmentally disabled.

Fraud
The act of willfully taking or attempting to take unfair advantage of a NAFI. Fraudulent acts include, but are not limited to, offering or paying bribes; making false statements; submitting false claims; misusing NAF property; using false weights or measures; deceit, either by suppression of the truth or misrepresentation of a fact; adulteration or substitution of material; falsification of records; arrangements for secret profits or commissions; unauthorized use of, irregularities in connection with, or improper accounting for an imprest or petty cash fund, or conspiracy to commit any of these acts.

Free fall
Any fall without an open parachute or jump in which the parachute is opened by means other than a static line.

Full-Time Support
Encompasses personnel assigned on a full-time basis for the purposes of organizing, administering, recruiting, instructing, or training the ARNG and USAR. These personnel include civilian personnel, members of the Active Army, and personnel serving on Active Guard Reserve status. The Active Guard Reserve Program is a component of the Full-Time Support Program.

Fund manager
An individual appointed by written authority to a post of responsibility and trust to exercise administrative and management control of a NAFI and charted with accountability for the NAF resources thereof. The fund manager is the official fund custodian of a NAFI.

Garrison commander
For purposes of this regulation, those responsible for MWR, lodging, and family programs. For purposes of this regulation, overseas Area Support Group commanders are also considered garrison commanders unless otherwise designated by the Director, IMA. Armed Forces Recreation Center and the Army Recreation Machine Program General Managers are considered garrison commanders for purposes related to their operations.

Government property
Property owned by and on the property records of the U.S. Government and acquired with APFs, as a gift, or as an authorized transfer of NAFI property to Government property records.

Grey area gambling devices
Machines or equipment that are recognized as gambling devices under the provisions of 15 USC 1171 and 1175

Hopper
A container within the recreation machine that holds coins for the payment of winning combinations.

IMA Regions
In CONUS and OCONUS, responsible to the IMA and execute IMA responsibilities within their regions; support garrisons; implement IMA policies and programs; direct and oversee garrison execution; serve as fund manager of Region Single MWR Funds. The seven regions include Northwest, Northeast, Southwest, Southeast, Pacific, Korea, and Europe.

Improvements and betterments
Modifications (such as fixtures, alternations, installations, and additions that become a permanent part of a building) to a used building which is not insurable. (Examples are new plumbing, new partitions, new store fronts, permanent wood paneling, and new rooms.) Improvements and betterments must be a major alteration, must change the building, and must increase its value. Recovery is based on the amount of money spent for improvements and will not decrease or increase. The installation of trade fixtures (such as removable showcases), maintenance (such as painting), or repairs to a building are not improvements.

Individual Ready Reserve (IRR)
Includes all members of the Ready Reserve not in the Selected Reserve. Members in the IRR are not required to perform scheduled training but are required to report for muster on an annual basis.

Informal investigation
An inquiry into the loss, damage to, or destruction of NAF assets conducted under the provisions of this regulation.

Installation Management Agency
A field operating agency of the ACSIM, established with seven IMA Regions. The IMA manages Army installations worldwide to support mission readiness and execution; funds garrisons; enables the well-being of soldiers, civilians and family members; improves infrastructure and preserves the environment; and serves as Executive Secretary for the Installation Management Board of Directors.

Installation MWR Fund (IMWRF)
A garrison operating entity of the IMA Region single MWR fund, which provides installation MWR programs, including food and beverage, retail, recreation, lodging, and community support services.

Inventory
a. Goods or merchandise on hand for resale; individual items of property for which the NAFI is accountable; the sum total of all property owned or controlled by the NAFI.
b. When used as a verb, refers to the periodic physical count and records reconciliation required in the control of NAFI property resources.

Investigating officer
Appointed by the approving authority. For NAF property, the investigating officer may be civilian (APF or NAF) or military, and is appointed under the provisions of AR 15-6.

James A. Carroll, Jr. Award
Annual award recognizing excellence in Army club management by club managers in the operation and management of clubs.

Joint NAFI
NAFI established by agreement between the SecArmy and the Secretaries of other MILDEPs in which each department shares in the NAFI's financial support, management policies, and total operation.

Key control custodian
Individual officially designated to control, safeguard, and secure keys to machines and stands.

Locally-generated income
Income to a NAFI generated from the sale of goods and services, and the collection of fees.

Long-term liabilities
Obligations that will not come due within a year.

Loss
An actual reduction in the value of property or net worth through physical damage or destruction, disappearance, theft, or robbery; or the legal determination of liability to pay.

Maintenance
Work required to preserve and maintain a real property facility in such condition that it may be used effectively for its designated functional purpose. Maintenance includes work done to prevent damage which would be more costly to restore than to prevent. Maintenance includes work to sustain components. Examples include renewal of disposable filters, painting, caulking, refastening loose siding, and sealing bituminous pavements.

Major Army command
A command directly subordinate to, established by authority of, and specifically designated by Headquarters Department of the Army. Army component commands of unified and specified commands are major Army commands."

Major construction
All NAF-funded real property maintenance, repair, and construction projects costing over $750,000; all APF-funded projects costing $1 million or more.

Malt beverage
An alcoholic beverage obtained by fermentation of a malted cereal, with or without adding other starchy material. Malt beverages include beer, ale, and malt liquor.

Manager
An individual who has responsibility for a program, subprogram, or facility connected with the MWR program. Also includes key personnel in Financial Management and Services elements of MWR programs.

Managerial functions
Planning, organizing, directing, coordinating, and controlling individual MWR program functions/activities/facilities at a level below that of direct command or supervisory management. Normally includes responsibility for developing and submitting input to those in a position of direct command or supervisory management. Examples of managerial positions are club, riding stable, and child support facility manager; physical activity and child support service coordinator; arts and crafts, music and theatre, recreation center, youth services, sports, outdoor recreation, and library activity director.

Mayoral program
A family support program that uses elected or appointed volunteer mayors to provide a communication link between the installation staff and on-post housing area residents.

Military banking facility
A banking office located on an Army installation and operated by a banking institution that is designed by the Treasury Department as a depository and financial agent of the U.S. Government and is authorized to provide commercial banking services to the military installation.

Military community
Includes U.S. military and family members and DOD civilian population working and assigned to military installations. Also includes retired military and other authorized patrons identified in chapter 6.

Minor construction
Any NAF construction project costing between $200,000 and $750,000; any APF construction project costing $750,000 to $1 million.

MWR activities
Activities (exclusive of private organizations) on military installations or on property controlled (by lease or other means) by a MILDEP or furnished by a DOD contractor that provide for the esprit de corps, comfort, pleasure, contentment, as well as mental and physical productivity of authorized DOD personnel. They include recreational and leisure-time programs, self-development programs, resale merchandise and services, or general welfare programs outlined in this regulation.

MWR activity or program manager
A supervisory person responsible for an MWR activity or grouping of activities, to include planning, execution, review and analysis, and the integration and use of APF and NAF resources made available therefor.

MWR facility
A building, structure, land area, or other real property used primarily for MWR purposes.

MWR program
A plan or conceptual framework at any level within which one or more MWR activities are established, operated, and maintained.

NAF assets
Includes cash, securities, property, and any other items of value held by or on the property records of a NAFI.

NAFI council
A representative body of active duty soldiers or civilian employees appointed or elected to assist in the management of the NAFI and represent MWR activity patron interests.

a. Governing council. A decision-making body that exercises general supervision for the commander and directs specific actions in the management of the NAFI.

b. Nongoverning council. A review body that recommends and reports to the commander on general or specific matters concerning the management of the NAFI. Retired and family members may sit on NAF nongoverning councils.

NAFI representative
An employee of the NAFI who participates in the cash collection or maintenance process.

Nonappropriated fund instrumentality
A U.S. Government organization and fiscal entity that performs essential Government functions. It is not a Federal Agency. It acts in its own name to provide, or assist other DOD organizations in providing MWR and other programs for military personnel, their families, and authorized civilians. It is established and maintained individually or jointly by two or more DOD components. As a fiscal entity, it maintains custody of and control over its NAFs, equipment, facilities, land, and other assets. It is responsible for the prudent administration, safeguarding, preservation, and maintenance of those APF resources made available to carry out its function. With its NAFs, it contributes to the MWR programs of other authorized organizational entities, when so authorized. It is not incorporated under the laws of any State or the District of Columbia and enjoys the legal status of an instrumentality of the United States. NAFIs are not 'persons' subject to federal trade and antitrust laws, and they are not subject to State regulation or control in the absence of specific authorization in a Federal statute.

Nonappropriated fund property
Property procured by, transferred, or donated to a NAFI and carried on NAF property records.

Nonappropriated funds
Cash and other assets received from sources other than Congressional appropriations. NAFs are Government funds used for the collective benefit of those who generate them. These funds are separate and apart from funds that are recorded in the books of the Treasurer of the United States.

Packaged beverage sales
Sale of alcoholic beverages in unopened containers for consumption at a location other than the place of sale.

Parachute demonstration
A parachute exercise designed to demonstrate proficiency and to support community relations or recruiting activities.

Parachute exercise
An authorized sport parachute jump, demonstration or competition.

Pecuniary liability
The legal obligation of an accountable or responsible person to pay for the loss, damage to, or destruction of Government or NAF property due to personal negligence or misconduct, as determined by formal or informal investigation.

Personal property
Property of any kind or any interest therein, except real property and records of the Federal Government

Port of debarkation
Authorized point of departure from a foreign country or the United States.

Port of embarkation
Authorized point of entry into a foreign country or the United States.

Premium
Any items with a value of less than $10.00 provided without charge to advertise an activity, product, service, or event or to serve as an inducement to buy.

Preventive maintenance
Routine, recurring work performed on all real property facilities. Includes systematic inspection, care, and servicing of equipment, utility plants and systems, buildings, structures, and grounds facilities for detecting and correcting incipient failures and accomplishing minor maintenance.

Private organization
Self-sustaining and non-Federal entities, incorporated or unincorporated, which are operated on DOD installations with the written consent of the garrison commander or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government.

Project approval
Conceptual and engineering approval of facility improvement projects. Accomplished by IMA Region for projects up to $500,000 and by USACFSC for projects over $500,000. Project approval indicates that the project has been reviewed and approved for feasibility, need, and compliance with design and space requirements. It is not authority to expend funds, although project and budget approvals may occur simultaneously.

Property
Any tangible object that has value.

Ready Reserve
Comprised of military members of the Army National Guard of the United States and U.S. Army Reserve, organized in units or as individuals, and liable for order to active duty in time of war or national emergency (10 USC chapter 1005). The Ready Reserve consists of three subcategories: The Selected Reserve, the Individual Ready Reserve, and the Inactive National Guard.

Real property
Lands and improvements to land, buildings, and facilities, including improvements and additions, and utilities systems. It includes equipment affixed and built into the facility as an integral part of the facility (such as heating systems), but not movable equipment (such as plant equipment). Real property is divided into the four basic classes for accounting purposes. They include land; improvements to land; buildings and facilities (including installed building equipment); and utility distribution and sanitary systems.

Recreation machine
Electronic machine that accepts coins for play and pays coins for winning combinations.

Recreation machine change fund
Recommended amount of coins to be maintained by the NAFI facility to ensure availability of coins for play by patrons.

Region Single MWR Fund
A separate region NAFI, which consolidates within the IMA Region single MWR fund all cash generated from garrison MWR operating entities (IMWRF).

Regular employee
Serves in a continuing position on a scheduled basis. Further categorized as regular full-time if the workweek is 40 hours; or, regular part-time (RPT) if the workweek is from 20 to 39 hours. The minimum workweek for a RPT employee is 20 hours.

Repair

a. Restoration of a RPF to such condition that it may be used effectively for its designated functional purpose. Repair may be overhaul, reprocessing, or replacement of deteriorated components, parts, or materials.

b. Correction of deficiencies in failed or failing components of existing facilities or systems to meet current Army standards and codes where such work, for reasons of economy, should be done concurrently with restoration of failed or failing components. Corrective work may involve incidental increases in quantities or capacities.

c. A utility system or component may be considered 'failing' if it is energy inefficient or technologically obsolete, provided it is in fact energy inefficient or technologically obsolete; the system/component to be replaced has been in service for a minimum of three years; and the project is estimated to have a payback period of 10 years or less.

d. Major work required to restore a generally deteriorated facility to such a condition that it may be used effectively for its designated purpose.

Replacement cost

The cost of repairing or replacing lost, damaged, or destroyed property.

Resale or retail sales

Items of merchandise and/or services provided by MWR activities or concessionaires for sale to eligible patrons. Resale merchandise and services must be related to the purpose of the MWR activity. With approval from AAFES, resale merchandise and services, listed in AR 60-20, appendices B and C may be provided by MWR activities. Specifically excluded from this definition are user fees, interest, and other sources of income not directly related to the sale or resale of merchandise and/or services.

Retired military personnel

a. All persons on the official retired lists of the uniformed Services who are retired with pay, granted retirement pay for physical disability, or entitled to retirement pay whether or not such pay is waived.

b. Members of the Retired Reserve not receiving pay but who have met the Service requirement for receipt of retired pay at age 60. (Known as 'grey' area retirees.)

c. Persons on the emergency officers' retired lists of the Army, Navy, Air Force, and Marine Corps who are retired under 38 USC 106 and 109.

Scheduled maintenance

Systematic and periodic servicing and inspection of equipment and components to maintain operational efficiency and replace worn or failed parts. Scope and frequency of service should be based upon engineering judgment and past repair history with the objective of providing the most economical mix of preventive care, routine maintenance, and breakdown maintenance.

Selected Reserve

Consists of those units and individuals in the Ready Reserve, designated as so essential to the initial wartime missions that they have priority over all other Reserves. The Selected Reserve includes officers, warrant officers, and enlisted soldiers who are--

a. Members of the Army National Guard of the United States (ARNGUS).

b. Assigned to troop program units of the Army Reserve.

c. Serving on active duty (10 USC 12301d) or Full-Time National Guard Duty (32 USC 502f) in an Active Guard Reserve status.

d. Individual Mobilization Augmentees.

Self-sufficiency

Funds provided in support of certain NAF costs, which have been recognized as an Army-level responsibility. USACFSC (CFSC-FM) issues guidance annually.

Shipping container

A commercial- or Government-owned container that is used to hold cargo being shipped by ocean transportation, and capable of being lifted on and off of ships. Also known as a SEAVAN.

Sinking fund

Funds accumulated and set aside for payment of long-term liabilities or replacement of fixed assets.

Special duty

The performance of duty with an organization other than the unit to which assigned, while continuing to be administered and accounted for by the unit of assignment. Includes borrowed military manpower and troop diversion.

Sponsor
Primary person authorized to use an MWR program. Normally, the adult family member who is also a service member.

Sport parachute jumpmaster
A person authorized by an garrison commander to supervise jumps by sport parachutists.

Stand
A standard base for a recreation machine that contains the cash (drop) box.

Standard NAFI number
Alphanumeric code number assigned by USACFSC that uniquely and exclusively identifies the garrison, military community, or other location, type of fund, and other coded information.

Static line jump
A parachute jump in which the parachute is deployed by a static line attached to the aircraft.

Successor (or successor in interest) NAFI
A NAFI designated by USACFSC to provide financial support and assistance to specified or assigned NAFIs, as required; receive and redistribute excess assets of its assigned NAFIs; and receive or distribute residual assets or assume residual liabilities of dissolved or disestablished NAFIs.

Supplemental mission funds
Nonappropriated funds generated from the operation of specific and unique situations that occur in support of non-MWR installation programs. They include such funds as veterinary service funds, athletic association funds, museum funds, lodging funds.

Surviving family members
Family members of a Service member who died while on active duty or while in a retired status, who are dependent on the surviving spouse for over half their support.

Surviving spouse
A widow or widower who has not remarried or who, if remarried, has reverted through divorce, annulment, or the demise of the spouse, to an unremarried status.

Tenant unit
a. A military organization located at an installation assigned to and operated by a different MILDEP.
b. An organization located at an Army installation but assigned to a IMA Region other than the one exercising command of the installation.

Total cash management
The ability of a NAFI to generate a positive net income before depreciation and a net loss after depreciation, to provide sufficient cash to meet all of its requirements. NAFI revenues cover operating and capital requirements over the short- and long-term while maintaining a cash to debt ratio between 1:1 and 1:2 (total cash divided by total liabilities).

Troop diversion
Use of soldiers, other than borrowed military manpower, to perform recurring duties with an organization or unit other than that to which assigned, while continuing to be administered and accounted for by the unit of assignment. See also special duty and borrowed military manpower.

Uniformed personnel
Members of the Army, Navy, Air Force, Marine Corps, and Coast Guard; Cadets and Midshipmen of the United States Military, Naval, Air Force, and Coast Guard academies; commissioned officers, ship's officers, and members of the crews of vessels of the national Oceanic and Atmospheric Administration; commissioned officers of the Public Health Service; members of the Reserve Components while on extended active duty or annual training.

Uniformed services
Unless otherwise qualified, the Army, Navy, Air Force, Marine Corps, and U.S. Coast Guard; commissioned officers of the Public Health Service; active duty and retired commissioned officers and members of the crews of vessels of the National Oceanic and Atmospheric Administration and its predecessors (the Coast and Geodetic Survey and the Environmental Science Services Administration).

Unit family support group
A unit that uses volunteers to provide social and emotional support, outreach, and information to family members prior to, during, and in the aftermath of unit deployments, extended TDYs, and field training exercises.

U.S. Parachute Association Safety Officer
An official appointed by the USPA area safety officer to be responsible for safety in a specific parachute activity.

Unoccupied
A building that contains its authorized furniture, fixtures, or stock but is otherwise unused.

U.S. citizens
One who, under the Constitution and laws of the United States, or of a paticular State, is a member of the political community, owing allegiance and being entitled to the enjoyment of full civil rights. Citizenship is acquired by birth in the United States, by birth in U.S. territories, by birth outside the United States to U.S. parents, and by naturalization.

Ward
A child, other than the sponsor's, or adult who resides in the sponsor's home and whose care has been entrusted to the sponsor by a court, or voluntarily assumed by the sponsor, because of age or a physical, mental, or emotional disability.

Watercraft
Recreational boats owned and operated by a NAFI.

Water terminal clearance authority
An activity that controls and monitors the flow of cargo into ocean terminals. Also called release authority.

Wind drift indicator
A device used to determine wind drift data without use of a human parachutist.

Within the United States
Includes the 48 CONUS states, Alaska and Hawaii; Puerto Rico, and other territories of the United States, having U.S. citizenship and delegates representing the territories in Congress. All other areas are considered outside the United States or foreign countries.

Witness
A MWR patron who attests to the validity of ARMP information collected by the cash collection team.

Section III
Special Abbreviations and Terms
This section contains no entries.

USAPD

ELECTRONIC PUBLISHING SYSTEM
OneCol FORMATTER WIN32 Version 225

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TIME:	14:05:31
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