

changes. The MOA is jointly signed by the senior APF resource manager and the IMWRF fund manager. The installation 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 at sites designated as remote or isolated may receive APFs on the same basis as Category B MWR activities. APFs are also authorized to be used to equip, operate, or maintain golf courses at remote or isolated sites and at sites located outside the United States (10 USC 2246). 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 MACOM 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 MACOM 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 fluctuation.
  - (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. Installation 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 at table 4-1.

#### **4-5. Base realignment and closure (BRAC) sites**

a. At BRAC closure designated locations, category C MWR activities 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 installation commander in coordination with the MACOM, 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 (sec V).

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).

## **Section II Installation NAFs**

#### **4-6. Installation MWR funds (IMWRF)**

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

b. The IMWRF, commonly referred to as the single fund, is the NAFI under which most installation MWR activities are organized and NAFs are administered. NAFs generated by each MWR activity are pooled into the IMWRF and allocated to MWR activities based on installation priorities and the provisions of this regulation.

(1) Installation MWR programs are sustained with locally generated NAF revenue and authorized APF support. MACOMs may subsidize unprofitable IMWRFs with surplus NAFs available from other MACOM IMWRFs or may cross-level among MACOMs. MACOMs may submit self-sufficiency exemption (SSE) requests to USACFSC only when cross-leveling is not feasible.

(2) Supplemental mission NAFs may be accounted for within the IMWRF to reduce overhead expenses (see para 4-7).

(3) Commanders will approve only valid requirements as documented by market analyses and annually revised MWR five-year plans.

#### **4-7. Supplemental mission NAF accounts or funds of the IMWRF**

These accounts are established to provide a NAF adjunct to APF mission activities other than those recognized as MWR activities. They do not support and are not part of the MWR program, although such funds may be accounted for in the IMWRF. Accounting for supplemental mission NAFs in the IMWRF reduces overhead expenses and eliminates the necessity of establishing separate NAFIs. These accounts or funds will not be used to subsidize MWR programs, nor will NAFs generated by MWR activities be used to subsidize supplemental mission NAF accounts, unless authorized elsewhere in this regulation or other regulations. APF support to the mission for which these supplemental NAFs are designated is not APF support to MWR. Supplemental accounts or funds in an IMWRF may include, but are not limited to—

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

b. 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.

c. Supplemental field ration dining facility funds (AR 30-1). Service charges collected by field ration mess facilities, used to purchase equipment and supplies or for services not available through APFs.

d. Army historical museum funds (AR 870-20). Voluntary contributions or donations, service charges, dues, gift shop revenues, and other income. (May also be established as a separate NAFI.)

#### **4-8. Separate supplemental mission NAFIs**

These include, but are not limited to—

a. *NAF Billeting Funds (AR 210-50)*. Service charges and fees supporting non-MWR housing which are generated primarily from temporary duty facilities, to include visitor officers' quarters (VOQ), visiting enlisted quarters (VEQ), and distinguished visitors' quarters (DVQ), used by personnel while in a temporary duty (TDY) travel status, as well as unaccompanied personnel housing maid service. Funds accrue to separate billeting NAFIs. AR 210-50 outlines the uses of these funds.

b. *Fisher House Funds*. Fees, gifts, contributions, and other revenue in support of Fisher Houses, an extension of medical treatment facilities.

c. *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.

d. *USMA funds (AR 210-3)*. Includes fees charged for and associated with USMA extracurricular activities.

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

#### 4-9. 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.

#### 4-10. 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

#### 4-11. 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 NAFs support only the requirements for which they were established. In all cases, NAFs are used judiciously and not as a matter of convenience. MWR NAFs may be expended for authorized APF MWR-related purchases under the DOD MWR USA 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) MACOMs 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 local 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 MACOM 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 and be in keeping with rules of protocol and in the best interest of the Army.

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

(b) MWR events open to the entire military community and approved by the local 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 local 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, MACOM, or DA-level management (executive control and essential command supervision (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 360-61 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, at the discretion of the commander (including Reserve Component unit commanders). Approval from the sponsoring organization is required before expenses are incurred. 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. HQDA Letter 608-98-1, dated 10 April 1998 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. See chapter 7 for policy on persons providing gratuitous services. Funding may be provided on an equitable basis and in accordance with the following:

(1) *Reserve Components (RC) volunteers.* To satisfy volunteer reimbursement requirements, the Director, Army National Guard

(ARNG), and the Chief of Army Reserves (CAR) may submit self-sufficiency exemption (SSE) requests annually for the subsequent fiscal year (see chap 11). SSE requests for U.S. Army Reserve Command (USARC) must be coordinated through FORSCOM, for reservists in the continental United States, and through USARPAC for reservists in Hawaii. Any changes to previously approved plans for reimbursement by the RC will be submitted for review and approval of USACFSC (CFSC-SP). Reimbursement procedures are issued by the USARC, as approved by FORSCOM for reservists and the National Guard Bureau (NGB) for members of the guard. Major U.S. Army Reserve Command (MUSARCs) and State Adjutants General will be responsible for the accountability of reimbursement expenses in their geographic area.

(2) *Child care for volunteers and family members of military personnel attending command orientations.* 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. Reimbursement of child care expenses for family members of military personnel attending command-sponsored family orientation may be funded from locally available NAFs. 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-R, 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 is authorized for volunteer travel for training to improve effectiveness in assigned roles or to enable volunteers to accept increasingly responsible challenges.

(4) *Travel.* Funding is authorized for volunteer travel for training, to include enrollment expenses, travel, and per diem, held at another site, if it is determined that the supported organization would benefit from the off-site training. Volunteers may receive an advance of travel and transportation allowance upon presentation of an approved invitational travel request. Appropriate controls are established to ensure that submission of settlement travel vouchers and collection of any outstanding amounts are expedited.

(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.

(7) *Newsletters.* Family support groups may use Government printing supplies and equipment and APF for postage, when approved by the 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