BY ORDER OF THE
SECRETARY OF THE AIR FORCE

AIR FORCE INSTRUCTION 34-223

11 AUGUST 2003

Services

PRIVATE ORGANIZATION (PO) PROGRAM

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements DoDI 1000.15, *Private Organizations on DoD Installations* (23 Oct 97). It provides guidance and procedures for establishing and operating POs on Air Force installations. MAJCOMs may not supplement this AFI without prior approval of Headquarters Air Force Services Agency (HQ AFSVA). MAJCOMs must review and approve supplements proposed by their subordinate units.

SUMMARY OF REVISIONS

This interim change (IC) 03-1 provides guidance for the Private Organization (PO) Program on Air Force Installations. Paragraph **8.2.** is changed to delete the requirement to use the HQ AFSVA PO database. Paragraph **10.2.** is changed to include disability as a form of discrimination. Paragraph **10.9.** is rewritten and paragraphs **10.9.1.** through **10.9.3.**, are added to provide additional guidance on frequent or continuous resale activities and advertising.

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Section A—General

1. POs. POs are self-sustaining special interest groups, set up by people acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government. POs are not Federal entities and are not to be treated as such. Accordingly, they are not NAF instrumentalities (NAFIs) as defined in AFI 34-201, *Use of Nonappropriated Funds,* nor are they entitled to the sovereign immunities and privileges given to NAFIs or the Air Force. They operate on Air Force installations with the written consent of the installation commander.

1.1. When an unofficial activity's/organization's current monthly assets (which include cash inventories, receivables, and investments) exceed a monthly average of $1,000 over a 3-month period, the activity/organization must become a PO, discontinue on-base operations, or reduce its current assets. Examples of unofficial activities/organizations are unit coffee funds, flower funds, and other small operations.

1.2. Except as addressed in paragraphs **1.1.**, **10.1.** through **10.1.4.**, **10.8.**, **10.9.**, **10.10.**, and **10.15.1.** through **10.15.2.**, this AFI does not apply to unofficial activities/organizations.

2. Types of POs. This instruction applies to all POs with the exception of the following organizations that are governed by DoD Directives (DoDDs) and Instructions (DoDIs) as referenced:

2.1. Scouting organizations operating at US military installations located overseas (DoD Instruction 1015.9, (e), *Professional United States Scouting Organization Operations at United States Military Installations Located Overseas*).

2.2. American National Red Cross (DoDD 1330.5, *American National Red Cross*).

2.3. United Seaman's Service (DoDD 1330.16, *United Seaman's Service (USS)*)

2.4. United Service Organizations, Inc. (DoDD 1330.12, *United Service Organizations, Inc.*)

2.5. Credit Unions (*DoDD 1000.11, Financial Institutions on DoD Installations;* DoDI 1000.10*, Procedures Governing Credit Unions on DoD Installations*; AFI 65-702*, Credit Unions on Air Force Installations)*

2.6. Banks (DoDD 1000.11, *Financial Institutions on DoD Installations*; DoDI 1000.12, *Procedures Governing Banking Institutions on DoD Installations*; AFI 65-701, *Banking Services on Air Force Bases*)

2.7. DELETED

Section B—What People Do

3. The Director of Services (HQ/USAF/ILV) . The HQ USAF/ILV sets policy and provides oversight for POs.

4. The HQ Air Force Services Agency, Directorate of Programs (HQ AFSVA/SVP). HQ AFSVA/SVP gives operational guidance to POs.

5. Major Command Directors of Services (MAJCOM/SV). MAJCOM/SVs ensure that base-level Services Squadrons follow the procedures outlined in this AFI.

6. Installation Commander:

6.1. Authorizes the establishment and operation of a PO when he or she determines it will make a positive contribution to the lives of base personnel. The commander may withdraw his authorization if the PO prejudices or discredits the United States Government, conflicts with government activities, or for any other reasonable or just cause.

6.2. Authorizes contractor and subcontractor POs when justified, as long as the interests of the Air Force are fully protected in the authorizing documents.

6.3. Approves requests for fund-raisers or may delegate this approval function to the Services squadron commander or division chief.

6.4. Designates the Services squadron commander or division chief to monitor and advise on PO activities.

6.5. Delete paragraph.

6.6. May delegate the above authorities to the Mission Support Group Commander.

7. Services Squadron Commander or Division Chief:

7.1. Monitors and administers the PO Program.

7.2. Directs the Resource Management Flight Chief (RMFC) to keep a file on each PO.

7.3. Monitors unofficial activities/organizations.

8. Resource Management Flight Chief:

8.1. Reviews each PO annually as of the close of the PO's fiscal year to ensure financial statements, documents, records, and procedures outlined in the PO Guide and this AFI are in order.

8.2. Provides financial review data annually as the PO fiscal year closings (between 1 April of prior year and 31 March of the current year) to MAJCOM to HQ AFSVA/SVFAF by 1 May, via **RCS HAF/AFSVQ(A)9330,** ***Private Organizations – Percent of Successful Reviews***. During emergency conditions use emergency status code C-3, delayed. Use of current PO database provided by HQ AFSVA is optional for maintenance and reporting of installation POs .

Section C—Establishing, Operating, and Dissolving a PO Activity

9. Setting Up a PO. A PO must submit written, constitution, bylaws, or other similar documents, outlined in the Private Organization Guidance Handbook, through the RMFC, Services squadron commander or division chief, and Staff Judge Advocate for consideration by the installation commander. The constitution and bylaws must:

9.1. Address the nature, function, classification, objectives, membership eligibility, and sources of income of the PO.

9.2. Notify all members of their personal financial responsibility.

9.3. Describe the responsibilities of PO officers for asset accountability, liability satisfaction, and sound financial and operational management.

9.4. Provide specific guidance on how to dispose of residual assets remaining in the PO treasury after satisfaction of outstanding debts.

NOTE: A PO may dispose of its assets only in the manner outlined in its constitution and bylaws. If proper provisions exist, a PO may give residual assets to the Air Force or a NAFI in accordance with AFIs 51-601, Gifts to the Department of the Air Force, and 34-401. Neither appropriated fund (APF) activities or NAFIs may claim the assets of, or make or assume any obligations for, a PO except those that may arise from a valid contract between them.

9.5. Be updated every 2 years or when there is a change in the purpose of the PO, whichever comes first.

10. Operating a PO. Installation commanders provide limited supervision over POs. Their control lies in the power to authorize and withdraw authorization for these organizations to operate on the installation. They insure compliance with the requirements of this instruction, but do not control or dictate internal activities or structure of POs.

10.1. POs may use the name or abbreviation of a DoD component, organizational unit, or installation in its name provided it takes steps to ensure its status as a PO is apparent and unambiguous, and to prevent the appearance of official sanction or support by the Air Force. The following applies:

10.1.1. The PO must have prior approval to use the name or abbreviation. The installation commander's approval of the PO's establishment, operation, and governing documents is normally sufficient to document prior approval. However, to use the name or abbreviation of a MAJCOM or MAJCOM-level organizational unit, approval of the MAJCOM/CC or designee is also required. To use the name or abbreviation of the Air Force or an Air Force-level organizational unit, HQ USAF/ILV approval is also required.

10.1.2. A PO will not utilize the name or material part of the name of any Air Force NAFI, e.g., Morale, Welfare, and Recreation (MWR) Fund, Lodging Fund, etc., on the PO's letterhead, correspondence, or in its title.

10.1.3. Any use of the name or abbreviation of a DoD component, organizational unit, or installation must not mislead members of the public to assume a PO is an organizational unit of DoD. POs must prominently display the following disclaimer on all print and electronic media mentioning the PO's name confirming that the PO is not a part of DoD: **"This is a private organization. It is not a part of the Department of Defense or any of its components and it has no governmental status."** This disclaimer must also be provided in verbal communication and public announcements when the PO's name is mentioned.

10.1.4. A PO may not use the seal, logo, or insignia of the Department of Defense, any military department or military service, organizational unit, or installation on the PO's letterhead, correspondence or in it's title. It will not use any seal, logo, insignia, or the like, used by DoD or any DoD component, its programs, locations, or activities on the PO's letterhead, correspondence, or in its title.

10.1.5. Deleted

10.2. POs may not discriminate in hiring practices or membership policies on the basis of age, race, religion, color, national origin, disability, ethnic group or gender.

10.2.1. POs may organize around a cultural or ethnic focus as long as they do not restrict their membership on the basis of culture or ethnicity.

10.3. POs may not haze or harass (either physically or mentally) as part of their initiation rites.

10.4. Religiously oriented POs may be authorized to operate on installations if:

10.4.1. Requests by similar organizations are also approved.

10.4.2. Authorization is for non-exclusive use of government facilities.

10.4.3. No sign or insignia or other organizational identification is placed on or inside government facilities except when the organization's activities are in progress

10.4.4. Membership is not restricted to members of the religion involved.

10.4.5. The installation staff chaplain coordinates on the request.

10.5. POs must be self-sustaining, primarily through dues, contributions, service charges, fees or special assessments of their members. There will be no direct financial assistance to a PO from a NAFI in the form of contributions, dividends, or donations of monies or other assets.

10.5.1. POs must properly plan and adequately control the monetary aspects of their goals and objectives, including cash and other assets such as property.

10.5.2. Income must not accrue to individual members except through wages and salaries for PO employees or other payment for services rendered. Any income will be derived primarily for offsetting expenses of operation, which may include competitive awards or charitable contributions. As an exception, installation commanders may authorize investment-oriented POs, if they comply with all other provisions of this regulation.

10.6. POs must use budgets and financial statements as financial management tools. Additional financial requirements are listed in the Private Organization Guidance Handbook.

10.6.1. The budget details financial plans for annual operations. It includes projected activities (income and expense) and capital purchases (equipment and property). The budget establishes financial objectives to generate sufficient income to offset planned expenses. Comparing actual results with the budget helps indicate management performance.

10.6.2. POs must prepare one type of financial statement, an income-and-expense statement, either on an accrual or cash basis. The income and expense statement reflects monetary events that have occurred during a given period.

10.6.3. POs must also prepare a balance sheet that accounts for total assets of the PO's financial condition on a given date.

10.7. POs with certain levels of gross annual revenue must undergo audits and financial reviews:

10.7.1. Certified Public Accountants (CPA) perform annual audits of POs with gross annual revenues of $250,000 or more. Use of a Certified Government Financial Manager is permitted in overseas locations when unavailability of a CPA is documented through the RMFC.

10.7.2. Accountants (CPA not required) perform annual financial reviews of POs with gross annual revenues of $100,000 but less than $250,000. POs pay accountants to conduct these reviews and provide written verification of the accounting data and other relevant information.

10.7.3. POs that have gross annual revenues of less than $100,000 but more than $5,000 normally are not required to conduct an independent audit or financial review.

However, such POs must provide an annual financial statement, as outlined in the Private Organization Guidance Handbook, to the RMFC.

10.7.4. If there are signs of fraud or other improprieties, regardless of the amount of revenue, the Services commander advises the installation commander. The commander should request an audit from the Air Force Audit Agency.

10.7.5. The audit (which generally provides more detailed information) and the financial review must verify the PO has:

10.7.5.1. A uniform system of accounting.

10.7.5.2. Consolidated reports of the accounting system into meaningful summaries.

10.7.5.3. Identified areas of weakness and plan for corrective action.

10.7.6. POs must implement internal control procedures that ensure:

10.7.6.1. Adequate segregation of duties.

10.7.6.2. Proper procedures for authorizations.

10.7.6.3. Adequate documents and records.

10.7.6.4. Physical control over assets and records.

10.7.6.5. Independent checks on performance.

10.8. POs and unofficial activities/organizations must not engage in activities that duplicate or compete with the Army and Air Force Exchange Service or Services activities or NAFI.

10.9. POs and unofficial activities/organizations will not operate amusement machines, slot machines, or any other games of chance (except as authorized in paragraph **10.16.**. below); nor will they engage in frequent or continuous resale activities either directly, through third parties, or in their media (e.g., newsletters, handouts, posters, special-order brochures, websites, etc.).

10.9.1. The installation commander may authorize (may delegate to the Services squadron commander/director) continuous thrift shop sales operations and occasional sales for fund-raising purposes (e.g., bake sales, dances, carnivals, car washes, or similar occasional functions) which the PO or unofficial activity/organization conducts directly, through a third party, or in its media. “Occasional” is defined as not more than two (2) per calendar quarter. The prohibition against frequent or continuous resale activities does not preclude collective purchasing and sharing of purchased items by members of POs or unofficial activities/organizations so long as there is no actual resale.

10.9.2. The occasional sales limitation for fund raising does not apply to PO sales of Air Force Schools or unit souvenirs or memorabilia to members of the school or unit involved provided AAFES and Services resale activities elect not to provide this service and the PO chartering documentation authorizes resale under these circumstances .

10.9.3. POs and unofficial activities/organizations operating on an Air Force installation are prohibited from engaging in any conduct which has the effect of advertising for, making referrals to, or encouraging use of any commercial business concerns. The only exception to this policy is

when a PO or unofficial activity/organization conducts an approved fund-raising event through a third-party (e.g., the spouses club conducts an art sale as an approved fund raiser and contracts with an art dealer (third party) to provide the artwork to be sold).

10.10. POs and unofficial activities/organizations may not sell alcoholic beverages.

10.11. POs must have liability insurance unless the installation commander waives the requirement. Insurance should be required unless the activities of the PO are such that the risk of liability is negligible. PO members must be made aware that they are jointly and severally liable for the obligations of the PO, and their understanding of the liability must be documented. The absence of liability insurance places their personal assets immediately at risk in the event of PO liability. Forward all waiver requests through the servicing legal office prior to approval. This waiver authority may be delegated to the mission support group commander. No further delegations are authorized. The commander may waive the requirement for continuous liability coverage; however, the approval document must advise the PO that the commander may still require liability insurance for specific events that involve a greater risk of injury or damage. Insurance waivers must be reevaluated annually.

10.12. The PO should consider bonding for its treasurer. The treasurer is in a sensitive position, especially if handling and controlling large amounts of cash. POs may make a bonding determination by weighing the cost of commercial "fidelity" insurance protection from a qualified underwriter against the potential dollar risk.

10.13. POs must comply with all applicable federal, state, local, and foreign laws governing like civilian activities. Some POs may qualify for tax-exempt status. The regional Internal Revenue Service office and the state taxing authority provides tax-exempt information.

10.14. PO officers and members report any signs of fraud or other improprieties to the Services squadron commander or division chief.

10.15. PO officer and member actions must not prejudice or discredit the United States Government or conflict with governmental activities. POs may not:

10.15.1. Solicit funds for their organization on base.

10.15.1.1. Services may not co-sponsor events with POs or unofficial activities/organizations for the purpose of obtaining commercial sponsorship, contributions, donations, gifts, advertising or generating revenue for them.

10.15.1.2. POs and unofficial activities/organizations are not authorized use of the DoD MWR Commercial Sponsorship policy.

10.15.1.3. POs and unofficial activities/organizations may accept gifts and donations. These organizations will not solicit gifts or donations on-base. Off-base solicitations must clearly indicate that they are for a PO or an unofficial activity/organization and not the base or any official part of the Air Force. Donor/gift recognition may not be made publicly. Recognition can only be made to members of the PO or those present at an event benefiting from the donation/gift.

10.15.1.3.1. POs and unofficial activities/organizations are prohibited from actions which make it appear that the installation is endorsing or giving special treatment to the donors/givers involved.

10.15.2. Conduct games of chance, lotteries, raffles, or other gambling-type activities except as provided in paragraph **10.16.** Unofficial activities/organizations may not conduct games of chance, lotteries, raffles, or other gambling-type activities under any circumstances.

10.16. Those POs which are composed primarily of DoD personnel or their family members may conduct fund-raising raffles on an Air Force installation on an occasional, infrequent basis when authorized in advance by the installation commander or designee subject to the limitations detailed below. Such raffles provide a means of extending needed services or other assistance to members of the DoD family, but failure to strictly follow the provisions below could result in the raffles violating the general gambling prohibition in DoD 5500.7-R, Joint Ethics Regulation (JER), 30 Aug 93 with changes 1 and 2. All requests to conduct raffles must be reviewed by the servicing Judge Advocate's office. Raffles must:

10.16.1. Not violate the law of the city, county, state, or country in which the installation is located and comply with any applicable requirements of such laws, e.g., securing required licenses or permits, filing application documents and/or reports, and the like.

10.16.2. Be for the benefit of DoD personnel or their family members. Raffles may not be authorized to raise money for local or national groups such as a regional or national Heart or Cancer Association whose funds would not benefit primarily DoD personnel or their family members.

10.16.2.1. In evaluating PO raffle fund raising requests, installation commanders must consider the proposed use of the proceeds and may approve only those requests which serve a charitable, civic, or other community welfare purpose within the DoD community which directly benefits DoD personnel or their family members. For example, commanders may approve raffles when the proceeds would be used for new playground equipment at a child development center or new furnishings at a youth center; to fund scholarship programs for DoD personnel and their family members; to donate money to base scouting organizations; or to provide food, clothing, shelter, or other relief to needy DoD personnel or their families.

10.16.2.2. Raffle requests to raise funds for purely social, recreational, or entertainment purposes which benefit only individual PO members and/or their family members, such as to underwrite the cost of a weekend ski trip, a sight-seeing tour or a shopping excursion will not be approved.

10.16.2.3. Requests for approval to conduct raffles must identify the purpose for which funds are being raised and the intended beneficiaries of the proceeds. They must also identify how the PO will ensure the proceeds are used only for that purpose and those beneficiaries.

10.16.3. Not be officially endorsed or supported except as permitted by sections 3-210 and 3-211 of the JER.

10.16.4. Not be conducted in the workplace. With installation commander or designee approval, they may be conducted at public entrances and in community support facilities such as the lobby of the Base Exchange. Raffles on the Pentagon reservation are prohibited.

10.16.5. Not be conducted by military members or civilian employees during their duty time. Military members may not conduct raffles while in uniform at any time. Air Force personnel may participate in PO fund-raising raffles only in a purely personal, unofficial, volunteer capacity at authorized locations and in ways that do not imply official endorsement.

11. Logistical Support. POs must furnish their own equipment, supplies, and other materials. Newly elected PO officers must consult the RFMC for guidance and training on local base requirements and procedures because POs generally do not get either APF or NAF support.

11.1. POs may be provided places to conduct meetings of reasonable duration and frequency subject to the following:

11.1.1. A PO must reimburse for services (to include utilities) when it uses a facility or space on an other-than-occasional basis unless a separate directive or instruction authorizes non-reimbursable support. Thrift shops are excepted from the requirement to pay utilities. A PO must reimburse for any additional costs incurred by the Air Force resulting from such uses, e.g., incremental increases in maintenance and janitorial expenses.

11.1.2. The Air Force mandates an approved out grant when a PO has exclusive use of a facility, space, or land area. Any reimbursement for utilities will be determined in accordance with AFI 31-1061, *Providing Utilities to US Air Force Installations.* Any reimbursement for space occupied, maintenance, and other support services will be determined in accordance with AFI 32-9003, *Granting Temporary Use of Air Force Real Property*.

11.2. POs in overseas areas can request additional support such as reimbursable transportation services, commissary; Armed Forces postal services; exchange; recreational activity privileges; reimbursable space-available hospitalization, medical, and dental care; and dependent school service. Requests must be forwarded through the installation commander to the MAJCOM/SV. As part of the forwarding recommendation, the installation commander must include a statement acknowledging the commander can provide the additional support requested within available resources and without degrading the installation's ability to fulfill its mission. The request must include:

11.2.1. A cost estimate for the additional support.

11.2.1.1. Deleted

11.2.1.2. Deleted

11.2.1.3. Deleted

11.2.1.4. Deleted

11.2.2. A list of services, programs, and activities the PO provides that warrant additional support.

11.2.2.1. Deleted

11.2.2.2. Deleted

11.2.3. An acknowledgement by the PO that additional support may be terminated if the PO's services, programs, and activities change so that they no longer warrant the support.

11.2.3.1. Deleted

11.2.3.2. Deleted.

11.2.3.3. Deleted.

11.2.3.4. Deleted.

11.2.3.5. Deleted.

11.3. Delete.

11.3.1. Deleted.

11.3.2. Deleted.

11.3.3. Deleted.

12. Ending a PO Activity. When a PO decides to disband or shut down, it must:

12.1. Use its funds to satisfy any outstanding debts, liabilities, or obligations.

12.2. Dispose of the residual balance as decided by the PO membership.

12.3. PO officers must notify the Services squadron commander or division chief of their intent to dissolve the PO and prepare a time-phased action plan to do so.

ARTHUR J. MYERS
Director of Services

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

DoD Instruction, 1000.15*, Private Organizations on DoD Installations,* 22 Sep 78

DoD Instruction 1015.9, *Professional United States Scouting Organization Operations at United States Military Installations Located Overseas,* 31 Oct 90

DoD 5500.7-R, *Joint Ethics Regulation,* 30 Aug 93, with changes 1 and 2

DoD Instruction 7230.7, *User Charges,* 29 Jan 85, with changes 1 and 2

AFPD 34-2, *Air Force Community Service Programs*

AFI 32-1061, *Providing Utilities to US Air Force Installations*

AFI 34-401, *Use of Nonappropriated Funds (NAFs)*

AFI 51-601, *Gifts to the Department of the Air Force*

Abbreviations and Acronyms

AFI—Air Force Instruction

AFMAN—Air Force Manual

AFPD—Air Force Policy Directive

AFSVA—Air Force Services Agency

APF—appropriated funds

CHAP—Children Have a Potential

CPA—Certified Public Accountant

DoD—Department of Defense

HQ—Headquarters

JER—Joint Ethics Regulation

MAJCOM—major command

MOU—Memorandum of Understanding

MWR—Morale, Welfare, and Recreation

NAF—nonappropriated funds

NAFI—Nonappropriated Fund Instrumentality

NCO—noncommissioned officer

PO—Private Organization

RMFC—Resource Mangement Flight Chief

SV—Director of Services

SVP—Directorate of Programs

TOPS—Take Off Pounds Sensibly

USAF—United States Air Force

USO—United Services Organizations

Attachment 2

DELETED

Attachment 3

IC 97-1 TO AFI 34-223, PRIVATE ORGANIZATION (PO) PROGRAM

SUMMARY OF REVISIONS

This interim change (IC) 97-1 provides guidance for the Air Force Services Private Organization (PO) Program. Paragraphs **1.1.**, **1.2.**, and **10.9.** are revised to clarify the applicability of certain AFI provisions to unofficial activities/organizations and to permit collective purchasing and sharing of purchased items by PO members. Paragraphs **10.15.1.1.** through **10.15.1.3.1.** are added to address PO use of commercial sponsorship, contributions, donations, and gifts. Paragraph **10.15.2.** is revised to prohibit unofficial activities/organizations from conducting games of chance, lotteries, raffles, or other gambling-type activities. Paragraph **6.5.** is also deleted to eliminate conflict with paragraph **10.15.2.**

1.1 When an unofficial actitity's/organization's current monthly assets (which include cash inventories, receivables, and investments) exceed a monthly average of $1,000 over a 3-month period, the activity/organization must become a PO, discontinue on-base operations, or reduce its current assets. Examples of unofficial activities/organizations are unit coffee funds, flower funds, and other small operations.

1.2. Except as addressed in paragraphs **1.1.**, **10.8.**, **10.9.**, **10.10.**, and **10.15.1.** through **10.15.2.**, this AFI does not apply to unofficial activities/organizations.

6.5. Delete paragraph.

10.9. POs and unofficial activities/organizations may not engage in frequent or continuous resale activities or operate amusement or slot machines. However, the installation commander may authorize (or the Services squadron commander or division chief may authorize, if the authority is delegated) continuous thrift-shop salds operations, museum shop sales of items related to museum activities, and occasional sales for fund-raising purposes like bake sales, dances, carnivals, or similar occasional functions. This prohibition against frequent or continuous resale activities does not preclude collective purchasing and sharing of purchased items by members of POs or unofficial activities/organizations so long as there is no actual resale.

10.15.1.1. Services may not co-sponsor events with POs or unofficial activities/organizations for the purpose of obtaining commercial sponsorship, contributions, donations, gifts, advertising or generating revenue for them.

10.15.1.2. POs and unofficial activities/organizations are not authorized use of the DoD MWR Commercial Sponsorship policy.

10.15.1.3. POs and unofficial activities/organizations may accept gifts and donations. These organizations will not solicit gifts or donations on-base. Off-base solicitations must clearly indicate that they are for a PO or an unofficial activity/organization and not the base or any official part of the Air Force. Donor/gift recognition may not be made publicly. Recognition can only be made to members of the PO or those present at an event benefiting from the donation/gift.

10.15.1.3.1. POs and unofficial activities/organizations are prohibited from actions which make it appear that the installation is enedorsing or giving special treatment to the donors/givers involved.

10.15.2. Conduct games of chance, lotteries, raffles, or other gambling-type activities except as provided in paragraph **10.16.** Unofficial activities/organizations may not conduct games of chance, lotteries, raffles, or other gambling-type activities under any circumstances.

Attachment 4

IC 99-1 TO AFI 34-223, PRIVATE ORGANIZATION (PO) PROGRAM.

3 December 1999

SUMMARY OF REVISIONS

This interim change (IC) 99-1 provides guidance for the Air Force Services Private Organization (PO) Program. The introductory paragraph is rewritten to delete "DoDI 1015.9, *Professional United States Scouting Organization Operations at United States Military Installations Located Overseas* (31 Oct 90)." Introductory paragraph deletes "**Attachment 2** lists types of POs affected by this AFI," and adds the requirement for MAJCOM supplements to be approved by HQ AFSVA and base supplements approved by MAJCOM/SV. Paragraph **1.**, is revised to emphasize that POs are not federal entities. The entire paragraph **2.** is revised to delete "Types of POs" and rewritten to agree with provisions in DoDI 1000.15, *Private Organizations on DoD Installations*, 23 Oct 97. Paragraph **8.1.** is changed to reflect updated guidance on financial reporting. Paragraph **8.2.** is changed to provide reporting dates. Paragraph **9.5.** is added to require updated constitution & bylaws every 2 years or when the purpose of the PO changes or there is a change in officers. Paragraph **10.1.** is revised to include the provision that prevents the appearance of an official sanction or support of a PO by the Air Force. Paragraph **10.1.3.** deletes "Nightingale Fund." Paragraph **10.1.4.** is revised to delete installation commander approval to use the seal, insignia, or other identifying device in a PO title or letterhead. Paragraph **10.1.5.** is added to clarify the prohibition of use of the name, abbreviation, seal, logo, insignia, or the like in the title/name of a PO. Paragraph **10.5.** is revised to expand on PO self-sustainment. Paragraph **10.7.1.** is changed to permit use of a Certified Government Financial Manager when CPAs are not available at overseas locations. Paragraph **10.9.** is revised to define the frequency of "occasional" fund raisers. Paragraph **10.11.** is revised to require annual renewal of insurance waivers. Paragraphs **11.** through **11.2.** deletes references to "Types of POs" and are rewritten to align logistics support guidance with DoDI 1000.15. Paragraph **11.3.** is deleted. **Attachment 2** is deleted.

This instruction implements DoDI 1000.15, *Private Organizations on DoD Installations* (23 Oct 97). It provides guidance and procedures for establishing and operating POs on Air Force installations. MAJCOMs may not supplement this AFI without prior approval of Headquarters Air Force Services Agency (HQ AFSVA). MAJCOMs must review and approve supplements proposed by their subordinate units.

1. POs. POs are self-sustaining special interest groups, set up by people acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government. POs are not Federal entities and are not to be treated as such. Accordingly, they are not NAF instrumentalities (NAFIs) as defined in AFI 34-201, *Use of Nonappropriated Funds,* nor are they entitled to the sovereign immunities and privileges given to NAFIs or the Air Force. They operate on Air Force installations with the written consent of the installation commander.

2. Types of POs. This instruction applies to all POs with the exception of the following organizations that are governed by DoD Directives (DoDDs) and Instructions (DoDIs) as referenced:

2.1. Scouting organizations operating at US military installations located overseas (DoD Instruction 1015.9, (e), *Professional United States Scouting Organization Operations at United States Military Installations Located Overseas*).

2.2. American National Red Cross (DoDD 1330.5, *American National Red Cross*).

2.3. United Seaman's Service (DoDD 1330.16, *United Seaman's Service (USS)*)

2.4. United Service Organizations, Inc. (DoDD 1330.12, *United Service Organizations, Inc.*)

2.5. Air Force Museum (AFPD 84-1, *Historical Information, Property and Art*; AFI 84-103, *Museum System*)

2.6. Credit Unions (DoDD 1000.11, *Financial Institutions on DoD Installations*; DoDI 1000.10, *Procedures Governing Credit Unions on DoD Installations*; AFI 65-702, *Credit Unions on Air Force Installations*)

2.7. Banks (DoDD 1000.11, *Financial Institutions on DoD Installations*; DoDI 1000.12, *Procedures Governing Banking Institutions on DoD Installations*; AFI 65-701, *Banking Services on Air Force Bases*)

8.1. Reviews each PO annually as of the close of the PO's fiscal year to ensure financial statements, documents, records, and procedures outlined in the PO Guide and this AFI are in order.

8.2. Provides financial review data annually as of the PO fiscal year closings (between 1 April of the prior year and 31 March of the current year) to HQ AFSVA/SVFAF by 1 May, via RCS HAF-AFSVQ(A)930, Private Organizations – Percent Of Successful Audits/Financial Reviews. During emergency conditions using emergency status code C-3, delayed. Use of current PO database provided by HQ AFSVA is required for maintenance and reporting of installation POs.

9.5. Be updated every 2 years or when there is a change in the purpose of the PO or a change in officers.

10.1. To prevent the appearance of official sanction or support by the Air Force, a PO covered by this instruction will not utilize the following in its title or letterhead:

10.1.3. The name (material parts of the name) of any Air Force NAFI, e.g., Morale, Welfare, and Recreation (MWR) Fund or Lodging Fund, etc.

10.1.4. The seal, insignia, or other identifying device of an Air Force installation. PO names will not include the specific DoD designation such as “AFB,” “Field,” or unit designation. For example Randolph AFB Wives Club, 111 SPTG Booster Club, 222 FTW Top 3, or the like are not permissible, but Randolph Wives Club, Ramstein Booster Club, Fairchild Top 3, and the like are permissible.

10.1.5. Any other name, abbreviation, seal, logo, insignia, or the like, used by DoD or any DoD component, it’s programs, locations, or activities.

10.5. POs must be self-sustaining, primarily through dues, contributions, service charges, fees or special assessments of their members. There will be no direct financial assistance to a PO from a NAFI in the form of contributions, dividends, or donations of monies or other assets.

10.7.1. Certified Public Accountants (CPA) perform annual audits of POs with gross annual revenues of $250,000 or more. Use of a Certified Government Financial Manager is permitted in overseas locations when unavailability of a CPA is documented through the RMFC.

10.9. POs and unofficial activities/organizations will not engage in frequent or continuous resale activities or operate amusement or slot machines. However, the installation commander may authorize (may be delegated to Services squadron commander or division chief) continuous thrift-shop sales operations; museum shop sales of items related to museum activities; and occasional sales for fund-raising purposes like bake sales, dances, carnivals, or similar occasional functions. “Occasional” is defined as not more than two (2) fund-raising events per calendar quarter. This prohibition against frequent or continuous resale activities does not preclude collective purchasing and sharing of purchased items by members of POs or unofficial activities/organizations so long as there is no actual resale.

10.11. POs must have liability insurance unless the installation commander waives the requirement (this authority may not be delegated). POs for which waivers have been granted may be required to obtain insurance for certain special events that involve greater risk of injury or damage. Forward all waiver requests through the base legal office prior to approval. PO members must be aware that they are jointly and severally liable for the obligations of the PO and their understanding of this liability must be documented. Insurance waivers must be reevaluated annually.

11. **Logistical Support.** POs must furnish their own equipment, supplies, and other materials. Newly elected PO officers must consult the RFMC for guidance and training on local base requirements and procedures because POs generally do not get either APF or NAF support.

11.1. POs may be provided places to conduct meetings of reasonable duration and frequency subject to the following:

11.1.1. POs must reimburse for services (to include utilities) when a PO on an other-than-occasional basis uses a facility or space in a facility unless a separate directive or instruction authorizes non-reimbursable support. Thrift Shops are excepted from the requirement to pay utilities. POs must reimburse for any additional costs incurred by the Air Force resulting from such use, e.g., incremental increases in maintenance and janitorial expenses.

11.1.2. Follow AFI 32-9003, *Granting Temporary Use of Air Force Real Property*, when a PO wants to use a facility, space, or land area on an other-than-occasional basis. Any reimburse-ments for space occupied, utilities, maintenance, and other support services will be determined in accordance with policies prescribed in the DoD Financial Management Regulation, Volume IIA, Chapter 4.

11.2. All logistical support provided POs must comply with the requirements of the Joint Ethics Regulation (DoD 5500.7-R), Sections 2-301, 3-211, and 3-300, as applicable to the type of support involved.

11.3. Delete.

Delete **Attachment 2**

Attachment 5

IC 2001-1 TO AFI 34-223, PRIVATE ORGANIZATION (PO) PROGRAM

29 AUGUST 2001

SUMMARY OF REVISION

This revision incorporates Interim Change IC 2001-1. This interim change (IC) 01-01 provides guidance for the Air Force Services Private Organization (PO) Program. Paragraphs **2.5.** & **2.6.** is replaced. Paragraph **2.7.** is deleted. Paragraph **8.2.** is replaced. Paragraph **9.5.** deletes reference to "change in officers." Paragraph **10.9.** is changed to delete reference to AF Museums and expanded to permit Air Force School and unit souvenir or memorabilia resale by POs. A bar (|) indicates revision from previous edition.

2.5. Credit Unions (*DoDD 1000.11, Financial Institutions on DoD Installations;* DoDI 1000.10*, Procedures Governing Credit Unions on DoD Installations*; AFI 65-702*, Credit Unions on Air Force Installations)*

2.6. Banks (DoDD 1000.11, *Financial Institutions on DoD Installations*; DoDI 1000.12, *Procedures Governing Banking Institutions on DoD Installations*; AFI 65-701, *Banking Services on Air Force Bases*)

2.7. DELETED

8.2. Provides financial review data annually as of the PO fiscal year closings (between 1 April of the prior year and 31 March of the current year) through MAJCOM to HQ AFSVA/SVFAF by 1 May, via RCS HAF – AFSVQ(A)930, Private Organizations – Percent of Successful Audits/Financial reviews. During emergency conditions using emergency status code C-3, delayed. Use of current PO database provided by HQ AFSVA is required for maintenance and reporting of installations POs.

9.5. Be updated every 2 years or when there is a change in the purpose of the PO, whichever comes first.

10.9. POs and unofficial activities/organizations will not engage in continuous resale or operate amusement or slot machines. However, the installation commander may authorize (may delegate to the Services squadron commander/division chief) continuous thrift-shop sales operations and occasional sales for fund raising purposes like bake sales, dances, carnivals, car washes or similar occasional functions. "Occasional" is defined as not more than two (2) per calendar quarter. This prohibition against frequent or continuous resale activities does not preclude collective purchasing and sharing of purchased items by members of POs or unofficial activities/organizations so long as there is no actual resale. The occasional sales limitation does not apply to PO sales of Air Force Schools or unit souvenirs or memorabilia to mem-

bers of the school or unit involved provided AAFES and Services resale activities elect not to provide this service and the PO chartering documentation authorizes resale under these circumstances.

Attachment 6

IC 2002-1 TO AFI 34-223, PRIVATE ORGANIZATION (PO) PROGRAM

27 November 2002

SUMMARY OF REVISIONS

This revision incorporates Interim Change IC 2002-1. This interim change (IC) 02-1 provides guidance for the Private Organization (PO) Program on Air Force Installations. Paragraph **1.2.** is changed to include paragraphs within the AFI applicable to unofficial activities/organizations. Paragraph **10.1.**-**10.1.5.** are deleted and replaced with new paragraphs **10.1.**-**10.4.** which permit a PO to use the name or abbreviation of a DoD component, organizational unit, or installation in its name. Paragraph **10.11.** is changed to permit delegation of liability insurance waiver authority to the Mission Support Group Commander. Paragraphs **11.1.1.** and **11.1.2.** are rewritten to address occasional and exclusive use of a facility or space. Paragraphs **11.2.1.**, **11.2.2.**, and **11.2.3.** are deleted and replaced with criteria for requests for logistical support. Paragraphs **11.2.1.1.**-**11.2.1.4.** are deleted. Paragraphs **11.2.2.1.** and **11.2.2.2.** are deleted. Paragraphs **11.2.3.1.**-**11.2.3.5.** are deleted. Paragraphs **11.3.1.**-**11.3.3.** are deleted. A "|" indicates revised material since the last edition.

3. The Director of Services (HQ USAF/ILV). ……. 3

8. Resource Management Flight Chief (RMFC). ……. 8

1.2. Except as addressed in paragraphs **1.1.**, **10.1.** through **10.1.4.**, **10.8.**, **10.9.**, **10.10.**, and **10.15.1.** through **10.15.2.**, this AFI does not apply to unofficial activities/organizations.

3. **The Director of Services (HQ/USAF/ILV)**. The HQ USAF/ILV sets policy and provides oversight for POs.

6.6 May delegate the above authorities to the Mission Support Group Commander.

8. Resource Management Flight Chief:

10.1. POs may use the name or abbreviation of a DoD component, organizational unit, or installation in its name provided it takes steps to ensure its status as a PO is apparent and unambiguous, and to prevent the appearance of official sanction or support by the Air Force. The following applies:

10.1.1. The PO must have prior approval to use the name or abbreviation. The installation commander's approval of the PO's establishment, operation, and governing documents is normally sufficient to document prior approval. However, to use the name or abbreviation of a MAJCOM or MAJCOM-level organizational unit, approval of the MAJCOM/CC or designee is also required. To use the name or abbreviation of the Air Force or an Air Force-level organizational unit, HQ USAF/ILV approval is also required.

10.1.2. A PO will not utilize the name or material part of the name of any Air Force NAFI, e.g., Morale, Welfare, and Recreation (MWR) Fund, Lodging Fund, etc., on the PO's letterhead, correspondence, or in its title.

10.1.3. Any use of the name or abbreviation of a DoD component, organizational unit, or installation must not mislead members of the public to assume a PO is an organizational unit of DoD. POs must prominently display the following disclaimer on all print and electronic media mentioning the PO's name confirming that the PO is not a part of DoD: **"This is a private organization. It is not a part of the Department of Defense or any of its components and it has no governmental status."** This disclaimer must also be provided in verbal communication and public announcements when the PO's name is mentioned.

10.1.4. A PO may not use the seal, logo, or insignia of the Department of Defense, any military department or military service, organizational unit, or installation on the PO's letterhead, correspondence or in it's title. It will not use any seal, logo, insignia, or the like, used by DoD or any DoD component, its programs, locations, or activities on the PO's letterhead, correspondence, or in its title.

10.1.5 Deleted

10.7.6. POs must implement internal control procedures that ensure:

10.11. POs must have liability insurance unless the installation commander waives the requirement. Insurance should be required unless the activities of the PO are such that the risk of liability is negligible. PO members must be made aware that they are jointly and severally liable for the obligations of the PO, and their understanding of the liability must be documented. The absence of liability insurance places their personal assets immediately at risk in the event of PO liability. Forward all waiver requests through the servicing legal office prior to approval. This waiver authority may be delegated to the mission support group commander. No further delegations are authorized. The commander may waive the requirement for continuous liability coverage; however, the approval document must advise the PO that the commander may still require liability insurance for specific events that involve a greater risk of injury or damage. Insurance waivers must be reevaluated annually.

11.1.1. A PO must reimburse for services (to include utilities) when it uses a facility or space on an other-than-occasional basis unless a separate directive or instruction authorizes non-reimbursable support. Thrift shops are excepted from the requirement to pay utilities. A PO must reimburse for any additional costs incurred by the Air Force resulting from such uses, e.g., incremental increases in maintenance and janitorial expenses.

11.1.2. The Air Force mandates an approved out grant when a PO has exclusive use of a facility, space, or land area. Any reimbursement for utilities will be determined in accordance with AFI 31-1061, *Providing Utilities to US Air Force Installations.* Any reimbursement for space occupied, maintenance, and other support services will be determined in accordance with AFI 32-9003, *Granting Temporary Use of Air Force Real Property*.

11.2. POs in overseas areas can request additional support such as reimbursable transportation services, commissary; Armed Forces postal services; exchange; recreational activity privileges; reimbursable space-available hospitalization, medical, and dental care; and dependent school service. Requests must be forwarded through the installation commander to the MAJCOM/SV. As part of the forwarding recommendation, the installation commander must include a statement acknowledging the commander can provide the additional support requested within available resources and without degrading the installation's ability to fulfill its mission. The request must include:

11.2.1. A cost estimate for the additional support.

11.2.1.1. Deleted

11.2.1.2. Deleted

11.2.1.3. Deleted

11.2.1.4. Deleted

11.2.2. A list of services, programs, and activities the PO provides that warrant additional support.

11.2.2.1. Deleted

11.2.2.2. Deleted

11.2.3. An acknowledgement by the PO that additional support may be terminated if the PO's services, programs, and activities change so that they no longer warrant the support.

11.2.3.1. Deleted

11.2.3.2. Deleted.

11.2.3.3. Deleted.

11.2.3.4. Deleted.

11.2.3.5. Deleted.

11.3.1. Deleted.

11.3.2. Deleted.

11.3.3. Deleted.

Attachment 7

IC 03-1 TO AFI 34-223, PRIVATE ORGANIZATION (PO) PROGRAM

11 AUGUST 2003

SUMMARY OF REVISIONS

This interim change (IC) 03-1 provides guidance for the Private Organization (PO) Program on Air Force Installations. Paragraph **8.2.** is changed to delete the requirement to use the

HQ AFSVA PO database. Paragraph **10.2.** is changed to include disability as a form of discrimination**.** Paragraph **10.9.** is rewritten and paragraphs **10.9.1.** through **10.9.3.,** are added to provide additional guidance on frequent or continuous resale activities and advertising.

8.2. Provides financial review data annually as the PO fiscal year closings (between 1 April of prior year and 31 March of the current year) to MAJCOM to HQ AFSVA/SVFAF by 1 May, via **RCS HAF/ AFSVQ(A)9330,** ***Private Organizations – Percent of Successful Reviews***. During emergency conditions use emergency status code C-3, delayed. Use of current PO database provided by HQ AFSVA is optional for maintenance and reporting of installation POs .

10.2. POs may not discriminate in hiring practices or membership policies on the basis of age, race, religion, color, national origin, disability, ethnic group or gender.

10.9. POs and unofficial activities/organizations will not operate amusement machines, slot machines, or any other games of chance (except as authorized in paragraph **10.16.** below); nor will they engage in frequent or continuous resale activities either directly, through third parties, or in their media (e.g., newsletters, handouts, posters, special-order brochures, websites, etc.).

10.9.1. The installation commander may authorize (may delegate to the Services squadron commander/ director) continuous thrift shop sales operations and occasional sales for fund-raising purposes (e.g., bake sales, dances, carnivals, car washes, or similar occasional functions) which the PO or unofficial activity/ organization conducts directly, through a third party, or in its media. “Occasional” is defined as not more than two (2) per calendar quarter. The prohibition against frequent or continuous resale activities does not preclude collective purchasing and sharing of purchased items by members of POs or unofficial activities/ organizations so long as there is no actual resale.

10.9.2. The occasional sales limitation for fund raising does not apply to PO sales of Air Force Schools or unit souvenirs or memorabilia to members of the school or unit involved provided AAFES and Services

resale activities elect not to provide this service and the PO chartering documentation authorizes resale under these circumstances .

10.9.3. POs and unofficial activities/organizations operating on an Air Force installation are prohibited from engaging in any conduct which has the effect of advertising for, making referrals to, or encouraging use of any commercial business concerns. The only exception to this policy is when a PO or unofficial activity/organization conducts an approved fund-raising event through a third-party (e.g., the spouses club conducts an art sale as an approved fund raiser and contracts with an art dealer (third party) to provide the artwork to be sold).