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Services

PRIVATE ORGANIZATIONS (PO) PROGRAM

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This instruction implements DoDI 1000.15, *Private Organizations on DoD Installations* (20 Dec 05). It provides guidance and procedures for establishing and operating POs on Air Force installations. Send MAJCOM/FOA/DRU draft supplements to HQ Air Force Services Agency, Commander's Action Group (AFSVA/CDM), 10100 Reunion Place, Ste 501, San Antonio TX 78216-4138 for approval before publication. MAJCOM/FOA/DRUs must review and approve supplements proposed by their subordinate units. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using AF IMT 847, Recommendation for Change of Publication; route AF IMT 847s from the field through the MAJCOM/FOA/DRU publications/forms managers. This instruction applies to all Air Force organizations and individuals within DoD (active duty military, retired members, dependents, surviving spouses of the aforementioned and authorized DoD civilians), as well as, the Air Force Reserve and Air National Guard. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with AFMAN 37-123, (**will become AFMAN 33-363**) *Management of Records* and disposed of in accordance with the *Air Force Records Disposition Schedule (RDS)* located at <https://afrims.amc.af.mil/>.

SUMMARY OF CHANGES

This AFI is totally revised to bring it in line with DoDI 1000.15, *Private Organizations on DoD Installations* (20 Dec 05). Reader review of the entire instruction is recommended.

Section A—General

1. Private Organizations (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. They operate on Air Force installations with the written consent of the installation commander.

1.1. 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.

1.2. Personal and professional participation in POs is governed by DoD 5500.7-R, *Joint Ethics Regulation*.

2. Applicability.

2.1. The following organizations are not considered POs and are governed by DoD Directives (DoDDs) and Instructions (DoDIs) as referenced:

2.1.1. 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*).

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

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

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

2.1.5. Credit Unions (DoDD 1000.11, *Financial Institutions on DoD Installations*).

2.1.6. Banks (DoDD 1000.11, *Financial Institutions on DoD Installations*).

2.2. Small unofficial activities (like coffee funds, flower funds, sunshine funds, and other small operations) are generally not considered POs. However, if their current 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 below the \$1,000 threshold.

Section B—What People Do

3. The Director of Services (HQ USAF/A1S). AF/A1S issues guidance and provides oversight for POs.

4. HQ Air Force Services Agency, Commander's Management Support (HQ AFSVA/CDM). HQ AFSVA/CDM gives operations guidance to POs.

5. Major Command Chief of Services (MAJCOM/A1S), Field Operating Agency, (FOA), Direct Reporting Unit (DRU). MAJCOM/A1S/FOA/DRUs ensure that base-level Services Squadrons/Divisions follow the procedures outlined in this AFI.

6. Installation Commander:

6.1. Authorizes the establishment and operation of a PO when he/she determines it will make a positive contribution to the quality of life of base personnel. The commander may withdraw the authorization if the PO prejudices or discredits the United States Government, conflicts with Government activities, or for any other reason 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. Takes action on requests for fundraisers.

6.4. May delegate the above authorities to the Mission Support Group Commander. The authority to approve or disapprove fundraisers may be further delegated to the Services Squadron Commander or Division Chief.

7. Services Squadron Commander or Division Chief:

7.1. Monitors and administers the PO Program. Ensures the membership provisions and the basis upon which the organization was permitted to operate on the installation continue to apply. Advises the installation commander if changed conditions by the PO warrant further review, documentation, and reconsideration for continued permission to operate on the installation.

7.2. Ensures the Resource Management Flight Chief (RMFC) keeps a file on each PO.

7.3. Monitors unofficial activities/organizations.

8. Resource Management Flight Chief. Keeps a file on each PO and reviews each PO annually at the close of the PO's fiscal year to ensure financial statements, documents, records, and procedures outlined in the PO Guide (https://www-r.afsv.af.mil/_AFSVA/Publications.htm#privateorgs) and this AFI are in order.

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

9. Setting Up a PO. A PO must submit a written constitution, bylaws, or other similar documents, outlined in the PO Guidance Handbook, through the RMFC, Services Squadron Commander or Division Chief, and Staff Judge Advocate for consideration by the installation commander. No DoD personnel acting in an official capacity may represent a PO by executing or submitting any of the various documents required for PO approval. The constitution, bylaws, or similar documents must:

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

9.2. Notify all members of their personal financial responsibility for obligations of the PO.

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 disposition of residual assets upon dissolution.

NOTE: A PO may dispose of its assets only in the manner outlined in its constitution, bylaws, or similar documentation. If the 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 34-201, *Use of Nonappropriated Funds (NAFs)*. Neither appropriated fund (APF) activities nor NAFIs may claim the assets of, or make or assume any obligation for, a PO except those that may arise from a valid contract between them.

9.5. Be updated every two years or when there is a change in the purpose, function, or membership eligibility 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 ensure compliance with the requirements of this instruction, but do not control or dictate internal activities or structure of POs.

10.1. 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.

10.1.1. To prevent the appearance of an official sanction or support by the Department of Defense, a PO covered by this instruction shall not use the following in its title or letterhead:

10.1.1.1. The name or seal of the Department of Defense or the acronym DoD.

10.1.1.2. The name, abbreviation, or seal of any DoD component or instrumentality.

10.1.1.3. The seal, insignia, or other identifying device of the local installation.

10.1.1.4. Any other name, abbreviation, seal, logo, insignia, or the like, used by any DoD component to identify any of its programs, locations, or activities.

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. Anyone who suspects unlawful discrimination by POs should contact the local Equal Opportunity Counselor and follow the procedures in AFI 36-1201, *Discrimination Complaints*.

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 financial assistance to a PO or unofficial activity/organization from a NAFI in the form of contributions, repairs, services, dividends, or donations of money or other assets.

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

10.5.2. Income must not accrue to individual members except through wages and salaries for PO employees or other payment for services rendered to the PO or military community. 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 AFI.

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

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 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, liabilities and net worth (equity) 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 at the PO's own expense:

10.7.1. Certified Public Accountants (CPAs) 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 the RMFC documents that a CPA is not available.

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. Accountants 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 PO Guide, to the RMFC.

10.7.4. If there are signs of fraud or other improprieties, regardless of the amount of revenue, the Services squadron commander or division chief advises the installation commander. The installation 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(s) 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 activities of the Army and Air Force Exchange Services (AAFES) or Services NAFIs.

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 Mission Support Group Commander, or the Services Squadron Commander or Division Chief) continuous thrift shop sales operations and occasional events for fundraising purposes (e.g., bake sales, dances, carnivals, car washes, or similar functions) which the PO or unofficial activity/organization conducts directly, through a third party, or its media. "Occasional" is defined as not more than two 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. See AFI 36-3101, *Fundraising within the Air Force*, for fundraising authority during Combined Federal Campaign.

10.9.2. The occasional sales limitation for funding does not apply to PO sales of Air Force School or unit souvenirs or memorabilia to members of the school or unit involved, provided AAFES or 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 or serve 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 or delegates 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 and unofficial activities/organizations 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 provide tax-exempt information.

10.14. PO officers and members must report any signs of fraud or other improprieties to the Services Squadron Commander or Division Chief.

10.15. PO officer and member and unofficial activities/organization actions must not prejudice or discredit the United States Government or conflict with governmental activities.

10.15.1. POs and unofficial activities/organizations may not 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 for the base or any official part of the Air Force. Donor/gift recognition may not be made publicly. Recognition of the gift or donation 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. POs may not 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. 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 and which directly benefit 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 fundraising 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 except where specifically identified in this AFI.

11.1. POs may be provided places to conduct meetings of reasonable duration and frequency.

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 exempted 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 outgrant when a PO has exclusive use of a facility, space, or land area. Any reimbursement for utilities will be determined in accordance with AFI 32-1061, *Providing Utilities to US Air Force Installations*. Any reimbursement for space occupied, maintenance, and other support 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/AIS. 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.

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

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.

12. Dissolution of a PO. When A PO decides to dissolve 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. Notify the Services squadron commander or division chief of the intent to dissolve the PO and prepare a time-phased action plan to do so.

ROGER A. BRADY, Lt General, USAF
DCS, Manpower and Personnel

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

DoD Instruction, 1000.15, *Private Organizations on DoD Installations*, 20 Dec 05

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 (JER)*, 30 Aug 93, with changes 1 through 6

DoD 7000.14-R, Vol 11A, Chapter 4, User Charges

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

AFI 32-9003, *Granting Temporary Use of Air Force Real Property*

AFI 34-201, *Use of Nonappropriated Funds (NAFs)*

AFI 36-3101, *Fundraising within the Air Force*

AFMAN 37-123, (will become AFMAN 33-363)

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

Abbreviations and Acronyms

AAFES—Army and Air Force Exchange Service

AFI—Air Force Instruction

AFPD—Air Force Policy Directive

AFSVA—Air Force Services Agency

AFSVA/CDM—Air Force Services Agency/Commander's Management Support

APF—Appropriated Funds

CPA—Certified Public Accountant

DoD—Department of Defense

HQ—Headquarters

HQ USAF/A1S—Air Force Director of Services

JER—Joint Ethics Regulation

MAJCOM—Major Command

MAJCOM/A1S—Major Command/Chief of Services

MWR—Morale, Welfare, and Recreation

NAF—Nonappropriated Fund

NAFI—Nonappropriated Fund Instrumentality

PO—Private Organization

RMFC—Resource Management Flight Chief

USAF—United States Air Force