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OVERVIEW

1. This guide provides information and sample documents for organizations wanting to become officially recognized Private Organizations (POs) on Air Force installations. It also provides guidance about unit unofficial activities and Local Supporting Foundations (LSF).

2. POs are self-sustaining special interest groups, set up by individuals acting exclusively outside the scope of any official capacity as members of the Department of the Air Force (DAF) or Federal Government, to include uniformed service members, civilian employees, DAF-affiliated contractors, Air Reserve and Air National Guard members, and their families residing on the installation or part of the larger installation community.

3. They operate on Air Force installations with the written consent of the Installation Commander.

4. POs are non-Federal entities and are to be treated as such. Accordingly, they are not Nonappropriated fund (NAF) instrumentalities as defined in AFMAN 34- 201, *Use of Nonappropriated Funds*, nor are they entitled to the sovereign immunities and privileges given to NAF instrumentalities or the Air Force.

5. Personal and professional participation in POs is governed by the Joint Ethics Regulation.

6. POs may consist of service members and/or their families; however, they are not considered "for us, by us" fundraising entities within the meaning of Title 5, Code of Federal Regulations (CFR), Part 950-102(e) Scope of the Combined Federal Campaign; JER section 2-400(f); and DAFI 36-3101, Fundraising, paragraph 5.3.4.

7. Service members may not perform activities for POs while in an official duty status.

8. A PO's official communication support is limited.

9. Unit unofficial activities (e.g., coffee funds, water funds, sunshine funds are not considered POs, unless current assets (cash, receivables and investments) exceed a monthly average of $1,000 over a three (3)-month period. On-hand inventory is not included in current asset calculations. Activities that exceed the asset limit ($1,000) must become a recognized PO, discontinue operations, or reduce its current assets below the $1,000 threshold.

10. Unofficial unit activities may temporarily exceed the asset limit ($1,000) for a time period not to exceed six (6)-months; if the substantial majority (more than 75%) of assets will be expended on an upcoming large unit event such as a holiday party, military ball, etc.

11. The $1,000 average monthly limit may be increased by $100 for every 50 unit members over 300 members, to a maximum of $5,000 monthly average. (T-3)

12. Unofficial unit activities, although encouraged to do so, but are not required to implement financial management tools (budgets/financial statements/audits). At a minimum, unit unofficial activities will implement the following financial controls:

a. Maintain a two (2)-person accountability system for all cash transactions.

b. Submit a basic annual financial report to unit commander detailing income and expenditures throughout the year.

13. Unit Commanders must weigh the pros and cons of transitioning their unit unofficial activity into a Private Organization. As a rule, unit unofficial activities' fundraising efforts are considered "by us for us" fundraising within the meaning of JER Section 2-400. As such commanders may promote and support their fundraising efforts using official communication systems (to unit members) and by allowing unit personnel to support such efforts while in duty (but not to interfere with the mission) status. On the other hand, unit unofficial activities may not solicit gifts from outside sources or engage in off-base fundraising.

14. "For us, by us" fundraising conducted by a unit unofficial activity should normally be planned and executed to take place primarily where funds collected can come from unit members and their family members. A bake sale or lunchtime food sale, however, is often welcomed by other units and advertising can inform all installation Airmen and Guardians who might have an interest in participating in such sales.

15. DAFI 34-106, *Private Organization Program*, is the governing policy for establishing Private Organizations and unit unofficial activities and contains guidance on their operation. <u>Compliance with this DAFI is mandatory.</u>

ROLES AND RESPONSIBILITIES

1. HQ Air Force Services Directorate (AF/A1S):

a. Makes, issues, and monitors Air Force policy.

b. Unless otherwise stated, serves as the approval authority for waivers or exceptions to DAFI

2. Air Force Services Center (AFSVC) Commander: Oversees, develops and publishes operational guidance and procedures.

3. Installation Commanders:

a. Authorize POs to operate on their installations. Approval authority may be delegate to the Mission Support Group Commander (MSG/CC) or Spaced Based Delta Mission Director (SBD/MD).

b. Withdraw authorization to operate if PO is no longer making a positive contribution to the installation.

c. Approve or deny fundraiser requests IAW DAFI 36-3101

(1) Approve or deny requests for the accumulation of more than $1K in unit unofficial activities for a duration not to exceed six months.

(2) Authority to approve fundraising and accumulation of additional funds may be delegated to the Force Support Squadron (FSS) Commander/Leader (CC/CL) IAW DAFI 36-3101.

d. Authorizes contractor personnel to participate in POs when justified if the interests of the DAF are fully protected. Participation should be in their personal capacity and not as a representative of their company.

e. Will direct POs to eliminate duplication of services when services are determined to compete with the installation's NAFI revenue-generating activities and the Army and Air Force Exchange Service (AAFES).

f. Ensure background checks are completed for employees and volunteers of POs who have contact with children under the age of 18 in Department of War (DoW) - operated programs used to supplement or expand childcare or youth services, according to DoDI 1402.05, *Background Checks on Individuals in DoD Child Care Services Programs*

g. Provide limited supervision of POs; ensure compliance with the DAFI requirements.

h. Authorizes use of installation name for PO, cannot be delegated.

4. FSS Commander or Civilian Leader:

a. Monitor and administer the installation PO program.

b. Ensures membership provisions and startup justification continue to apply.

c. Advise the installation commander on PO changes, to include a recommendation to revoke or continue permission to operate.

5. FSS Resource Management Flight Chief (RMFC):

a. Maintains a file on each installation PO.

b. Annually reviews the PO's file to ensure financial statements, documents, records, and other information as required this Instruction and the PO guide are in order.

c. As a minimum, files must contain:

1). Constitution and bylaws (example at Atch 1).

2). Revalidation letters showing dates of review.

3). Financial statements/reviews, audit reports (Atch 2).

4). Minutes of meetings.

5). Proof of required insurance or appropriate waiver.

6). Current list of officers and points of contact.

7). Tax exempt approval from the IRS (if applicable).

8). Approved waivers and other documents required by AFSVC and/or Installation Commander.

6. Air Force Civil Law and Litigation (AF/JAC):

a. Advise AF/A1S on NAF policy and Services law issues.

b. Approve delegation of Installation Commander's gift acceptance authority to Local Supporting Units for gifts from their Local Supporting Foundations (LSF).

7. Installation Staff Judge Advocate Legal Office:

a. Should not provide legal advice to prospective and currently recognized POs.

b. Legal advisors may ensure that POs follow DAF standards by offering guidance on compliance issues with DAFI 34-106 or other applicable directives.

ESTABLISHING PRIVATE ORGANIZATIONS

1. PO must submit a written constitution, by-laws or other similar documents, through the FSS/RSMC, FSS/CC/CL and installation legal office for consideration by the Installation Commander. DoW personnel may not be on official duty time when developing constitutions, bylaws, or similar documents in support of PO activities.

2. Unit Commanders should weigh the pros and cons of transitioning their unofficial activity to a PO. As a general rule, unofficial activities' fundraising efforts are considered "by us, for us" fundraising under JER Section 2-400. As such commanders may advertise and support their fundraising efforts using official communication systems (to unit members only) and by allowing unit personnel to support such efforts while in a duty status (as long as it does not interfere with the mission). On the other hand, unofficial activities are still Federal entities and may not solicit contributions from outside sources or engage in off-base fundraising.

3. The constitution, bylaws, or similar documents submitted by a PO must:

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

b. Include certification that PO members were notified and understand their personal financial liability for obligations of the PO, as provided by law.

c. Describe the responsibilities of the PO officers and their role in asset accountability, and financial and operational management.

d. 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 DAF or a NAFI in accordance with AFI 51-506, *Gifts to the Department of the Air Force from Domestic and Foreign Sources*, 16 April 2019 and AFMAN 34-209, *Nonappropriated Fund Financial Management and Accounting, 01 Oct 2019.* APF activities and NAFIs cannot claim the assets of, or make or assume any obligation for, a PO except those that may arise from a valid contract between them.

4. DoW personnel acting in an official capacity may not execute such constitutions, bylaws, or similar documents or submit for approval.

5. The organization's request for certification must be resubmitted for review and approval every two years or when there is a change in the purpose, function, or membership eligibility of the PO, whichever comes first and must be reviewed by the servicing Staff Judge Advocate's office.

6. Liability insurance waivers must be reviewed annually.

7. PO leadership must provide the contact information for a primary and alternate local representative for the organization, since POs are local in nature (most often their membership is formed by Airmen and family members attached to the installation) and they must remain accountable to the Installation Commander.

OPERATING POLICIES

1. To prevent the appearance of an official sanction or support by the DoD.

2. POs activities may not use the seals, logos, or insignia of the DoD or any DoD Component, DoD organizational unit, or DoD installation on organizational letterhead, correspondence, titles, or in association with organization programs, locations or activities.

3. POs may not use the name (material parts of the name) of any Air Force NAFI, e.g. Morale, Welfare, and Recreation (MWR) Fund or Lodging Fund.

4. POs operating on DoD installations may use the name or abbreviation of the DoD, an AF organizational unit, or installation in its name provided that the status as a PO is apparent and unambiguous and there is no appearance of official sanction or support by the DoD. The following applies:

   a. POs must have written approval from the installation commander before using the name or abbreviation of the installation or organizational unit. Requests for use of the DoD or AF name or abbreviation, must be routed through the Air Force Services Center (AFSVC) for action.

   b. Any use of the name or abbreviation of an AF organization unit or installation must not mislead members of the public to assume a PO is an organizational unit of the Air Force.

   c. POs must prominently display the following disclaimer on all print and electronic media mentioning the PO's name confirming that the PO is not part of the 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".

5. POs may not discriminate, or give preferential treatment, in hiring practices or membership policies (including officership eligibility) based the race, color, religion, sex, national origin, disability, age (40 and over), and retaliation for prior Equal Opportunity (EO) activities. Anyone who suspects unlawful discrimination or preferential treatment by PO should contact the local Equal Opportunity Counselor and follow the procedures in DAFI 36-2710, *Equal Opportunity Program*.

6. POs may organize around a cultural, ethnic, religious, or single sex focus if they do not restrict their membership or officer eligibility based on culture, ethnicity, religion, or sex.

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

8. POs must be self-sustaining, primarily through dues, contributions, service charges, fees, or special assessments of its members. There will be no financial assistance to a PO or unofficial or unit unofficial activity from a NAFI in the form of contributions, repairs, services, dividends, or donations of money or other assets.

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

10. 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.

11. POs must use budgets and financial statements as financial management tools.

12. 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.

13. 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. 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.
POs with certain levels of gross annual revenue must undergo audits and financial reviews at the PO's own expense:

a. Certified Public Accountants 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 Resource Management Flight Chief documents that a Certified Public Accountant is not available.

b. Accountants (Certified Public Accountant 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.

c. 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 to the Force Support Resource Manager/Resource Manager Flight Chief no later than 20 days following the end of the PO's fiscal year.

d. If there are signs of fraud or other improprieties, regardless of the amount of revenue, the FSS/CC/CL advises the Installation Commander. The Installation Commander should request an audit from the Air Force Audit Agency.

1). The audit (which generally provides more detailed information) and the financial review must verify the PO has:
- a). A uniform system of accounting.
- b). Consolidated reports of the accounting system into meaningful summaries.
- c). Identified areas of weakness and plan(s) for corrective action.

2). POs must implement internal control procedures that ensure:
- a). Adequate segregation of duties.
- b). Proper procedures for authorizations.
- c). Adequate documents and records.
- d). Physical control over assets and records.
- e). Independent checks on performance.

14. POs and unit unofficial activities and unofficial activities/organizations will not engage in activities that duplicate or compete with AAFES or FSS NAF Instrumentalities.

15. POs and unofficial activities/organizations will not operate amusement machines, slot machines, lotteries, bingo, sophisticated games of chance or other games of chance, or other gambling type activities; nor will they engage in frequent or continuous resale activities either directly or through third parties except as provided in DAFI 34-106, paragraph 5.10.

a. Auctions (including silent auctions) are not considered game of chance. If a portion of the auction proceeds go to the PO, then the auction will count towards the organizational limit of not more than three fundraising events per calendar quarter per DAFI 34-106, paragraph 5.8.2.

b. The prohibition against frequent or continuous resale activities does not preclude collective purchasing and sharing of purchased items by members of the POs or unofficial activities so long as there is no actual resale.

16. The Installation Commander or designee, per DAFI 34-106, para 5.11., approves PO continuous retail operations (e.g., thrift shops, consignment stores, food and sundries vendors) and occasional on-installation events for fundraising purposes (e.g., bake sales, dances, carnivals, car washes, or similar functions) which the PO conducts directly or indirectly through a third party.

a. Unit commanders may approve unit unofficial activity fundraisers on the installation within the unit, and only for the unit's personnel. Fundraising outside the unit requires Installation Commander or designee approval.

b. Occasional fundraising is defined as not more than three per calendar quarter. The length of a fundraising event is fact dependent. For example a community theater performance might only last a single night; whereas cookie and candy sales might last for three days over a holiday weekend.

c. The occasional sales limitation for funding does not apply to unit unofficial activity or PO sales of functional community training schoolhouse or unit souvenirs, memorabilia to members of the school or unit involved. This is contingent on the Army and Air Force Exchange Services or FSS resale activities electing not to provide this service and the PO chartering documentation authorizing resale under these circumstances. Nor does it apply to POs sales conducted through a concessionaire contract with the installation FSS /MWR programs at Open Houses/Air Shows and similar events.

17. POs may conduct fundraising events off the installation so long as it is clear to members of the public that the organization not representing the installation or the Air Force. POs should consult the FSS PO POC and the local Judge Advocate before engaging in off installation fundraising.

18. POs and unit unofficial activities may not make direct solicitations for donations to from non-members on base.

19. POs and unofficial activities may not directly solicit cash donations for their organizations on base.

20. POs and unit unofficial activities operating on AF installations 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 conducts an approved fundraising event through a third-party (e.g., the spouses' club conducts an art sale as an approved fundraiser and contracts with the art dealer (third party) to provide artwork to be sold).

21. POs will not sell or serve alcoholic beverages on DAF installations. EXCEPTION: At the discretion of the installation commander, NAFI operated MWR programs may secure the aid of volunteers or persons providing gratuitous services to assist in the sale of MWR procured alcoholic beverages. NAFI MWR programs may also enter into contractual agreements with unit unofficial activities (such as a booster clubs) or installation POs to provide qualified (Dram Shop trained as outlined in DAFI 34-107, *Alcoholic Beverage Program*) personnel to assist in selling alcoholic beverages at MWR events for a fee. Fees paid to military unit unofficial activities or POs are deposited into the appropriate accounts; units will not require Airmen or Guardians to participate in the event.

a. Alcoholic beverages may be consumed and shared among legal drinking age members of the PO and their legal age guests in a Potluck fashion as PO social (non-business) events.

b. This may also apply to events such as open houses/air shows and other special installation events.

22. POs must have liability insurance unless the Installation Commander or designee waives the requirement. Insurance should be required unless the activities of the PO are such that the risk of liability is negligible.

23. PO members must be made aware that they are jointly and severally liable for the obligations of the PO. The absence of liability insurance places their personal assets immediately at risk in the event of PO liability. Insurance waivers must be reevaluated annually.

24.. The PO should consider bonding for its treasurer. The treasurer is in a sensitive position, especially if handling and controlling large amounts of cash.

25. POs and unit unofficial activities must comply with all applicable federal, state, local, and foreign laws governing like civilian activities. Some POs may qualify for tax-exempt status. It is the responsibility of the PO to obtain proper tax-exempt information and forms through the regional Internal Revenue Service office and the state taxing authority.

26. PO officers and members must report any signs of fraud or other improprieties to the FSS Commander/Civilian Leader.

27. POs officer and member and unofficial activities' actions must not prejudice or discredit the United States Government or conflict with governmental activities.

28. POs will not provide on-base advertising in exchange for gifts and donations (this does not

preclude a PO from acknowledging a gift or donation by letter or during an on-base event or ceremony attended primarily by PO members).

29. In accordance with DAFI 34-108, *Commercial Sponsorship and Sale of Advertising*, commercial sponsorship is not authorized to support PO or unit unofficial activities (such as social funds). These entities are not authorized to partner with MWR programs to gain access to sponsorship benefits.

30. POs and unit unofficial activities are prohibited from actions which might make it appear that the installation is endorsing or giving special treatment to the donors involved.

31. POs and unit unofficial activities may accept gifts and donations from outside sources. Unit unofficial activities will not solicit gifts.

32. POs and unit unofficial activities are prohibited from actions which might make it appear that the installation is endorsing or giving special treatment to the donors involved.

33. Fundraising raffles may be conducted on a DAF installation by those POs that are composed primarily of DoD personnel or their family members. 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 provided in DAFI 34-106, paragraphs 5.2.1 – 5.21.7, could result in raffles violating JER 2-501. Unit unofficial activities are not authorized to conduct raffles. Raffles must not be conducted by military members or civilian employees during their duty time. Military may not conduct raffles while in uniform. Any such raffle must be authorized in advance by the Installation Commander or designee.

LOGISTICAL SUPPORT

1. POs must furnish their own equipment, supplies, and other materials. Newly elected PO officers must consult with FSS Resource Manager for guidance and training on local base requirements and procedures because:

2. POs generally do not get either APF or NAF support except where specifically identified in DAFI 34-106. POs may be provided space for meetings of reasonable duration and frequency subject to the following:

    a. A Private Organization must reimburse for services (to include utilities) when it uses a facility or space on a non-exclusive (i.e., license), other-than-occasional basis unless a separate directive or instruction authorizes non-reimbursable support. Thrift shops are exempt from the requirement to pay utilities under such circumstances.

    b. POs must reimburse for any additional costs incurred by the DAF resulting from such use, e.g., incremental increases in maintenance and janitorial expenses.

3. The use of government equipment and systems for other than official purposes is extremely limited, Government communications systems (e.g., weekly upcoming events email from the installation Public Affairs Office) may be used to inform Airmen and Guardians of PO events of possible interest to the unit and its families (e.g. regular meeting of the unit-affiliated spouses' club). Official communication systems will not be used to advertise PO fundraisers (and membership) events unless the primary purpose of the communication is for other than support of the PO's efforts, but rather to notify unit Airmen of a local event of possible interest (e.g. lunchtime sale of food in a public area adjacent to the unit's geographic footprint).

DISSOLUTION

1. When a PO decides to dissolve or shut down, it must:

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

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

    c. Notify the FSS CC/CL of the intent to dissolve the PO and prepare a time-phased action plan to do so.

LOCAL SUPPORTING FOUNDATIONS (LSF)

1. LSFs exist to support a specific DAF unit, program, or activity. Key characteristics:

   a. LSFs are independent, nonprofit, non-Federal entities.

   b. They are not composed of Airmen, Guardians, or family members, unlike many traditional POs.

   c. They must register as a Private Organization with the installation in accordance with governing instructions.

   d. Registration establishes a formal, reliable, and legally compliant relationship between the LSF and the supported DAF unit.

2. Establishing Relationships with LSFs

   a. Commanders must ensure LSF activities remain supportive without crossing into inherently governmental functions.

   b. Installation commanders, directors, and subordinate/tenant unit leaders may form collaborative relationships with nonprofit organizations eligible to be recognized as LSFs.

   c. LSFs are typically local, but may also be regional or national nonprofits whose primary mission is to support a specific DAF unit or program.

   d. All LSFs must obtain formal recognition from the installation commander as a PO before engaging in support activities.

3. The unit and LSF should maintain an open, transparent relationship while respecting their distinct roles as a government entity and a non-Federal organization.

4. Communication and Issue Resolution

   a. Maintain open communication channels.

   b. Resolve disputes at the lowest possible level.

   c. Agreed-upon resolutions should be documented through MOU modifications, which represent the full understanding between the parties.

5. Commanders/directors should communicate immediate, short-term, and long-term unfunded requirements to the LSF. Written justification should be provided when appropriate; minor or urgent needs may not require written documentation. Since the LSF, by its nature and mission, has a standing offer of assistance to the unit, program or activity, then the commander/director may communicate such unfunded requirements to the LSF without violating prohibitions on solicitation of gifts to the DAF.

6. General Authorized Support - LSFs may:

a. Advocate for community interests related to the supported unit.

b. Engage local citizens, and patrons.

c. Support DAF operations through:

1). Volunteer recruitment and management

2). Volunteer recognition

3). Community relations activities

4). Fundraising that supplements unit programs

d. Donor funds generated by LSFs intended for the DAF unit, program, or activity are considered gifts according to Title 10 USC Section 2601(a)(1), General Gift Funds and AFI 51-506, which governs gifts to the DAF from domestic and foreign sources (or other applicable statutory/regulatory frameworks). This statute permits the gifting of funds, real property (and enhancements thereof), and personal property (including in-kind supplies).

e. Since gifts of services (including in-kind contracts) are not authorized under 10 USC § 2601(a)(1), a separate statutory or alternative authority is necessary for any contribution of services from the LSF.

f. LSFs may aid in the operations of supported units, activities, or programs as outlined in DAFI 36-106; however, they must not encroach upon responsibilities or functions deemed inherently governmental as specified in the Federal Acquisition Regulation (FAR), Subpart 7.5. Inherently Government Functions.

g. Contribute services only when authorized under a separate statute, such as 10 USC § 1588 for volunteer services (e.g., managing a volunteer office).

7. Fundraising

a. LSFs may conduct up to three on-base fundraising events per quarter.

b. Fundraisers held entirely within the unit's facility footprint:

1). Do not require installation commander approval.

2). Must be approved by the unit commander/director.

3). Must not disrupt routine operations or customers.

8. Unit Representation. A unit representative **must** be present for any LSF fundraiser held within the unit's operational footprint. At other events, unit representatives may attend in a passive role and participate in photos.

9. Restrictions on DAF Personnel. DAF representatives may provide informational briefings. They may **not** solicit donations, encourage contributions or serve as the “draw” for the event. Any official remarks must comply with 5 CFR 2635.808.

10. LSFs may assist with tours, community information fairs and other outreach events. However, these activities must promote the mission of the supported unit and avoid implying official endorsement of the LSF.

11. LSFs may assist with social media content and management. The unit commander/director remains responsible for ensuring all messaging complies with DAF policy.

12. Employee Recognition Support. The unit must operate its own recognition program. LSFs may fund individual or team recognition items. They may host a recognition banquet or reception (no more than quarterly). Note: Food and beverage value must not exceed $20 per person. Alcoholic beverages may not be provided.

13. Volunteer Program Support. LSFs may operate the unit’s volunteer office, including recruitment, training, management, and recognition. Volunteers working with minors must undergo required background checks. The commander/director remains the official accepting authority for volunteer services under 10 USC § 1588.

14. LSFs may not:

a. Administer or manage DAF activities.

b. Interfere with supervisory relationships.

c. Replace or substitute for federal appropriations in violation of the Anti-Deficiency Act.

d. Provide gifts of services (including in-kind contracts) under 10 USC § 2601(a)(1).

15. DAF personnel

a. May not manage, control, or direct LSF operations. Nor may they serve in leadership or decision-making roles within an LSF.

b. May serve as a liaison if designated in writing and compliant with the Joint Ethics Regulation (JER).

16. Gift Acceptance Requirements.

a. All funds or property donated by an LSF are considered official gifts. Gifts must be processed and accepted under 10 USC § 2601(a)(1), AFI 51-506, or any other applicable authority

b. Gifts of services require separate statutory authority (e.g., 10 USC § 1588 for volunteer services).

17. LSFs must comply with all installation PO requirements. Installations should ensure:

a. Proper registration and renewal

b. Ethical boundaries between LSFs and DAF personnel

c. Oversight of fundraising activities

d. Proper processing of gifts and donations

ATTACHMENT 1

SAMPLE FORMAT

CONSTITUTION AND BYLAWS

Constitution
(Organization Title)

Article 1
Name and Purpose

(NOTE: The name, seal, insignia, or other identifying device of the Department of Defense or acronym 'DOD', a DOD component (military service), a NAFI, the local installation, local military unit, or any other name, abbreviation, seal, logo, insignia, or the like used by DOD or any DOD component, its programs, locations or activities, will not be used in the POs title or letter head)

Article 2
General Provisions

(Include the following paragraphs as separate sections of Article 2 as appropriate)

Section

The (organization) operates on a military base only with the consent of the installation commander. Operation is contingent on compliance with the requirements and conditions of all applicable Air Force regulations.

Section

The membership (is) (is not) liable under the laws of (name of state or other jurisdiction in which the PO is organized) for organizational debts in the event the organization's assets are insufficient to discharge liabilities.

Article 3
Officers and Governing Body

Article 4
Membership or Patronage
(Include membership eligibility (should be primarily limited to members of the DOD community).)

Article 5
Method of Financing
(Include all proposed sources of income)

Article 6

Activities

Article 7
Meetings and Quorums

Article 8
Adoption and Amendments
(Include "subject to final review by the installation commander.")

Article 9
Dissolution
(Include the following paragraph as a separate section of Article 9)

Section
In case of dissolution of the organization, funds in the treasury at the time will be used to satisfy any outstanding debts, liabilities, or obligations. The balance of the assets will be disposed of as determined by the membership.

Article 10
Insurance
(Required)

SAMPLE BYLAWS

Article 1
Duties of Officers

Article 2
Election and Voting

Article 3
Dues and Fees

Article 4
Standing Committees

Article 5
Finances and Taxes

Article 6
Insurance Coverage

Article 7
Awards/Gifts

ATTACHMENT 2

Spouses' Club
Proposed Budget
For the Month of September, 2012

Income

	Prior Year Actual	This Year Budget	Next Year Budget
Membership Dues	$ 8,000	$ 8,200	$ 10,000
Savings Account interest	360	320	360
Ways & Means			
Art Auction	1,500	2,000	2,100
Bazaar	3,300	4,000	4,200
Christmas Ball	2,880	3,000	3,200
Luncheons/Dinners	2,400	2,880	3,000
Special Fund Raiser	13,000	13,000	13,000
Other	0	200	50
Thrift Shop	24,000	23,000	24,000
Tours	7,000	5,000	0
Misc.	20	50	50
Total Income & Receipts	**$62,460**	**$61,650**	**$59,960**

Expenses

	Prior Year Actual	This Year Budget	Next Year Budget
Ways & Means			
Art Auction	$ 1,100	$ 1,500	$ 1,600
Bazaar	2,800	3,500	3,600
Christmas Ball	2,500	2,700	2,900
Luncheons/Dinners	2,000	2,300	2,400
Special Fund Raiser	4,000	3,200	4,000
Other	0	80	20
Thrift Shop	19,000	18,400	19,200
Tours	6,500	4,500	0
Protocol	200	240	250
Publicity	200	240	250
Donations			
Scholarships	10,000	10,000	11,000
Air Force Village	4,000	4,000	4,200
Base Youth Center	5,000	5,000	5,100
Community Charities	400	400	500
Awards	200	210	220
Treasurer	50	55	60
Recording Secretary	50	50	60
Miscellaneous	420	600	600
Total Expenses & Distributions	**$ 58,420**	**$ 56,975**	**$ 55,960**
Net Income (Loss)	**$ 4,040**	**$ 4,675**	**$ 4,000**

ATTACHMENT 3

Spouses' Club
Statement of Cash Position
For the Month of September, 2012
(Cash Basis)

	This Month Ending Balance	Last Month Ending Balance	This Month Increase/(Decrease)
Assets			
Cash	$ 8,100	$ 6,880	$ 1,220
Checking	6,600	5,620	980
Savings			
Total Assets	**$ 14,700**	**$ 12,500**	**$ 2,200**

ATTACHMENT 4

Spouses' Club
Balance Sheet
For the Month of September, 2012
(Accrual Basis)

	This Month Ending Balance	Last Month Ending Balance	This Month Increase/ (Decrease)
Assets			
Cash	8,100	6,880	1,220
Checking	6,600	5,620	980
Savings			
Accounts Receivable	50	150	(100)
Dues	400	0	400
Art Auction	200	900	(700)
Bazaar	0	0	0
Christmas Ball	200	200	0
Luncheons/Dinners	900	600	300
Special Fund Raiser	0	0	0
Prepaid Expenses	150	150	-
Total Assets	**16,600**	**14,500**	**2,100**
Liabilities			
Accounts Payable			
Art Auction	300	150	150
Bazaar	200	700	(500)
Christmas Ball	0	0	0
Luncheons/Dinners	220	200	20
Special Fund Raiser	180	450	(270)
Other	0	0	0
Prepaid Revenues	2,600	1,000	1,600
Total Liabilities	**3,500**	**2,500**	**1,000**
Fund Equity (Net Worth)	**13,100**	**12,000**	**1,100**
Total Liabilities & Fund Equity	**16,600**	**14,500**	**2,100**

ATTACHMENT 5

Spouses' Club
Monthly Income and Expense Statement
For the Month of September, 2012
(Cash Basis)

Income	**This Month**	**This Year To-Date**
Membership Dues	780	5,800
Savings Account Interest	30	240
Ways & Means		
Art Auction	1,700	1,700
Bazaar	700	3,900
Christmas Ball	0	0
Luncheons/Dinners	240	2,000
Special Fund Raiser	700	8,100
Other	90	200
Thrift Shop	2,000	17,800
Tours	1,600	2,600
Misc.	-	50
Total Income & Receipts	**$ 7,840**	**$ 42,390**
Expenses		
Ways & Means		
Art Auction	$ 1,200	$ 1,200
Bazaar	500	3,200
Christmas Ball	0	100
Luncheons/Dinners	180	1,600
Special Fund Raiser	620	2,700
Other	30	60
Thrift Shop	1,700	14,400
Tours	0	200
Protocol	20	120
Publicity	20	120
Donations		
Scholarships	0	10,000
Air Force Village	0	3,000
Base Youth Center	1,000	3,000
Community Charities	200	200
Awards	100	100
Treasurer	10	90
Recording Secretary	10	30
Miscellaneous	50	450
Total Expenses & Distributions	**$ 5,640**	**$ 40,570**
Net Income (Loss)	**$ 2,200**	**$ 1,820**

ATTACHMENT 6

Spouses' Club
Monthly Income and Expense Statement
For the Month of September, 2012
(Accrual Basis)

Income	**This Month**	**This Year To-Date**
Membership Dues	680	6,000
Savings Account Interest	30	240
Ways & Means		
Art Auction	2,100	2,100
Bazaar	0	4,100
Christmas Ball	0	0
Luncheons/Dinners	240	2,080
Special Fund Raiser	1,000	9,000
Other	90	200
Thrift Shop	2,000	17,800
Tours	0	0
Misc.	-	50
Total Income & Receipts	**$ 6,140**	**$ 41,570**
Expenses		
Ways & Means		
Art Auction	$ 1,350	$ 1,500
Bazaar	0	3,400
Christmas Ball	0	100
Luncheons/Dinners	200	1,600
Special Fund Raiser	350	2,800
Other	30	60
Thrift Shop	1,700	14,400
Tours	0	200
Protocol	20	120
Publicity	20	120
Donations		
Scholarships	0	10,000
Air Force Village	0	3,000
Base Youth Center	1,000	3,000
Community Charities	200	200
Awards	100	100
Treasurer	10	90
Recording Secretary	10	30
Miscellaneous	50	450
Total Expenses & Distributions	**$ 5,040**	**$ 41,170**
Net Income (Loss)	**$ 1,100**	**$ 400**

ATTACHMENT 7

DAF LOCAL SUPPORTED UNIT (LSU) AND LOCAL SUPPORTED FOUNDATIONS (LSF) MEMORANDUM OF UNDERSTANDING (MOU) TEMPLATE

MEMORANDUM OF UNDERSTANDING
BETWEEN THE DEPARTMENT OF THE AIR FORCE AND
THE LOCAL SUPPORTING FOUNDATION (LSF) FOR
SUPPORT TO [LOCAL SUPPORTED UNIT], XXXXXX AFB/SFB
PROVIDED BY [LOCAL SUPPORTING FOUNDATION, CITY, STATE]

This is a Memorandum of Understanding (MOU) between a Department of the Air Force (DAF) Local Supported Unit (hereinafter LSU) and a Local Supporting Foundation (hereinafter LSF). This MOU establishes roles and responsibilities related to the support of [Local Supporting Unit], located at [LSU installation], as the LSU, provided by [Name of LSF], located at [LSF Location], as the LSF. When referred to collectively, the LSU and the LSF are referred to as the "Parties." This MOU is (a new agreement (or) an amendment of current MOU dated xx/xx/xxxx) and once signed, supersedes all prior existing agreements.

1. BACKGROUND: Department of the Air Force Instruction (DAFI) 34-106, *Private Organizations Program,* recognizes that the support of local nonprofit organizations can enhance the efficiency and efficacy of DAF units, programs, and operations. Further, that such nonprofits are often in a better position to fund desirable, but non-mission essential, requirements; to engage in community relations; and to coordinate the recruiting and efforts of 10 USC § 1588 volunteers. A successful collaboration between an LSU and an LSF requires a relationship built on trust, open channels of communication, and unity of mission. All requirements of DAFI 34-106. Chapter 8 are hereby incorporated by reference.

1.1. [LSU] is the DAF unit responsible for [description of unit mission].

1.2. [LSF] is a registered 26 USC §501(c)(3) nonprofit non-Federal entity, in the State of [STATE], authorized to operate on DoD installations in accordance with DoDD 1000.26E, *Support for Non-Federal Entities Authorized to Operate on DoD Installations*, and DoDI 1000.15, *Procedures and Support for Non-Federal Entities Authorized to Operate on DoD Installations,* recognized as a Private Organization by [LSU PARENT INSTALLATION], whose [sole/primary] mission is to support [LSU].

1.3. [LSF] enters this MOU with the purpose of becoming a recognized LSF for the support of [LSU].

2. PURPOSE: To provide transparency regarding the administration and fiscal management and to define the roles and responsibilities between the Parties.

3. ROLES AND RESPONSIBILTIES OF THE PARTIES. The LSF must register as Private Organization with installation per DAFI 34-106, paragraph 8.4. Parties agree to have their relationship governed by DAFI 34-106, and must maintain all requirements in DAFI 34-106, Chapter 8, order for continued recognition as an LSF.

4. PERSONNEL: Each Party is responsible for all costs of its personnel, including pay and benefits, support, and travel. Each Party is responsible for supervision and management of its personnel and their respective professional conduct.

5. POINTS OF CONTACT (POC): The following points of contact will be used by the Parties to communicate in the implementation of this MOU. Each Party may change its point of contact upon reasonable notice to the other Party.

5.1. For the Local Supported Unit:

5.1.1. Primary: (Name, LSU Liaison Officer, Phone #, and Email)

5.1.2. Alternate: (Name, Alternative LSU Staff Member, Phone #, and Email)

5.2. For the LSF:

5.2.1. Primary: (Designee Name, Title, Phone #, and Email)

5.2.2. Alternate: (Designee Name, Title, Phone #, and Email)

5.3. For the Parent Installation (when required):

5.3.1. Primary: (Name, FSS CC/CL, Phone #, and Email)

5.3.2. Alternate: (Name, Alternative FSS Staff Member, Phone #, and Email)

5.4. For AF/JA Civil Law and Litigation Domain **(when required)**:

5.4.1. Primary: (Name, AF/JACP Legal Advisor to DAF Services, Phone #, and Email)

5.4.2. Alternate: (Name, Alternative JACP Staff Member, Phone #, and Email)

6. CORRESPONDENCE: All correspondence to be sent and notices to be given pursuant to this MOU will be addressed, as follows:

6.1. If for the LSU:

6.1.1. (Name, LSU LNO, Mailing Address and Email)

6.2. If for the LSF:

6.2.1. (LSF Mailing Address and Email Address)

6.3. If for the parent installation Force Support Squadron:

6.3.1. (Name, FSS POC, Mailing Address and Email)

6.4. If for the AF/JA Civil Law and Policy Division (AF/JACP):

6.4.1. (JACP Mailing Address and Email Address)

7. GENERAL PROVISIONS:

7.1. **MODIFICATION OF THE MOU:** This MOU may only be modified by the written agreement of the Parties and duly signed by their authorized representatives.

7.1.1. This MOU will be examined and reviewed for applicability, relevancy, and necessary changes every five (5) years in coordination with the Private Organization recertification of the LSF by the installation. Upon review, any major modifications or changes made to the existing MOU should result in the re-signing of the MOU. If no significant changes are identified or required by either Party, the effective date of the MOU will change, to reflect the date of review completion and establishing the next review date.

7.1.2. Minor changes that do not significantly alter the existing MOU, may be changed with pen and ink, including non-substantive modifications, by mutual agreement providing the changes are not significant nor affect the transfer of manpower or funds. Each party will initial and date each minor change. The pen and ink changes document mutual acknowledgement of the minor changes. A new signature page verifying the understanding and approval of the changes may be required.

8. DISPUTES: Any disputes relating to this MOU will be subject to applicable law, Executive order, directive, or instruction, be resolved by consultation between the Parties in accordance with DoDI 4000.19, *Support Agreements*. Disputes that cannot be resolved by consultation between the Parties shall be submitted to AF/A1S for resolution.

9. TERMINATION OF UNDERSTANDING:

9.1. This MOU may be terminated at any time upon mutual written agreement of the Parties.

9.2. This MOU may be terminated upon thirty (30) days written notice to the LSF by the LSU or parent installation, for a violation of this Agreement or when (in the opinion of AF/A1S or AF/JAC) the continued affiliation of the Parties is no longer in the best interests of the Department of the Air Force. When conditions warrant, LSF operations relating to the support of the LSU may be suspended immediately.

10. TRANSFERABILITY: This MOU is not transferable except with the written consent of the Parties.

11. LIMITATIONS: This MOU is not intended to, or does not, create any right or benefit, substantial or procedural, enforceable at law or inequity by any party against the United States, its departments, agencies, or entities, its officer, employees, or agents, or any other person.

12. **ENTIRE UNDERSTANDING:** It is expressly understood and agreed that this MOU embodies the entire understanding between the Parties and supersedes all previous understandings and agreements between the Parties whether written or oral regarding the MOU's subject matter.

13. EFFECTIVE DATE: This MOU takes effect beginning on the day after the last Party signs.

SIGNATURE:
FOR LSU COMMANDER/DIRECTOR
FOR LSF EXECUTIVE DIRECTOR (or equivalent)