



USE OF NONAPPROPRIATED FUNDS (NAFS)

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AFI 34-201, *Use of Nonappropriated Funds (NAFs)*, 17 June 2002, is supplemented as follows. This supplement applies only to Air National Guard (ANG) units and members. This supplement tailors the Air Force (AF) instruction to the ANG organizational structure. Additionally, it expounds on how ANG units are treated by their respective gaining MAJCOM as it applies to MAJCOM nonappropriated funds, isolated unit funds, and stand alone NAFIs providing support for ANG units. Unless Federalized, ANG units cannot create or administer Federal NAFIs. Send comments and suggested improvements to this supplement on AF Information Management Tool (IMT) 847, *Recommendation for Change of Publication*, through channels, to the Air National Guard Services Division (NGB/A1S), 3500 Fetchet Avenue, Andrews AFB, MD 20762-5157.

2.6.2. ANG wings/units receiving NAF support from a gaining MAJCOM unit fund will have a Unit Fund Council and comply with gaining MAJCOM instructions for council minutes, budgets, strength reports, and NAF program execution.

3.4.1.1.1. (Added) The pursuit of Direct AAFES Dividends for NAFIs supporting ANG Installations requires meeting all criteria set forth in **Attachment 9 (Added)**.

3.5.2.8. Direct AAFES Dividends. ANG Installations must meet all criteria set forth in **Attachment 9 (Added)**.

3.5.4. Isolated Unit Funds supporting ANG units belong to and are administered by the individual unit's gaining MAJCOM.

11.1.3. This includes ANG wings/units collocated on active Air Force installations except as otherwise provided in the basic AFI.

11.2.1.1.5. (Added) ANG wings or stand alone units (i.e. Red Horse or GSU's).

11.3. **Getting MWR Support for Isolated Units.** For ANG wings/units, within 15 miles of a military installation with MWR (Services) programs, the provisions of this paragraph in the basic AFI apply.

11.4.7. (Added) ANG wings/units outside of a 15 mile radius of an active duty military installation will receive nonappropriated fund support through their gaining MAJCOM. Funds will be administered as prescribed by the gaining MAJCOM NAF policies and procedures, normally through a gaining MAJCOM Isolated Unit Fund (IUF).

11.5.1. Determining MWR Support for Isolated Units. ANG units will provide this data to their gaining MAJCOM. The gaining MAJCOM may issue an annual call for this information, based on HQ AFSVA/SVF guidance, or specify another timeframe for reporting strength figures.

11.5.2. ANG wings/units receive this support from their gaining MAJCOM and the funds will be administered as prescribed by the gaining MAJCOM NAF policies and procedures.

11.7.7. (Added) ANG units will obtain guidance from gaining MAJCOMs on how NAFs will be distributed, how they will be used, and any prior approval process required.

12.1.3. (Added) SM&W funds are not available to gaining MAJCOM IUFs supporting ANG units. ANG units collocated on active duty installations do not have IUFs and any support required should be included in the memorandum of agreement between host and ANG units.

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

Abbreviations and Acronyms

AF—Air Force

IMT—Information Management Tool

POC—Point of Contact

Terms

Gaining MAJCOM—The MAJCOM the wing or unit is gained by in its execution of its wartime mission.

Attachment 9 (Added)**INSTRUCTIONS FOR RECEIVING AAFES DIVIDENDS AT ANG INSTALLATIONS**

A9.1. (Added) AAFES Dividend Criteria. The following instructions provide criteria for determining the eligibility of a gaining MAJCOM NAFI supporting an Air National Guard (ANG) installation to receive AAFES simplified dividend payments, the means by which payments will be made, and the reporting requirements for units receiving payments.

A9.2. (Added) Eligibility Criteria.

A9.2.1. (Added) General:

A9.2.1.1. (Added) To receive direct dividend payments, the programs must be opened to and provide for the benefit of all eligible DoD MWR program beneficiaries in the local area. If programs are limited to the social needs of ANG unit members, then the only financial support provided is the per-capita allocation.

A9.2.1.2. (Added) Programs must follow the same operational, financial, and other guidance applicable to similar programs on active and reserve bases.

A9.2.1.3. (Added) The gaining MAJCOM must provide oversight, control, and assistance on a level provided to other bases in the command.

A9.2.1.4. (Added) Funds and other assets must remain under the control of a designated Federal official who is accountable for their proper use.

A9.2.2. (Added) At least one AAFES sales outlet must be on the installation.

A9.2.3. (Added) The installation must have one or more core MWR programs in place, or have a command-approved plan to implement core programs. Core programs for ANG installations include:

A9.2.3.1. (Added) Sports fields and/or courts

A9.2.3.2. (Added) Physical fitness and/or multipurpose recreation programs

A9.2.3.3. (Added) Sports/recreation equipment checkout programs

A9.2.3.4. (Added) ANG Dining Social Clubs (not a Federal NAFI), chartered IAW ANGI 34-121, *Dining Social Club Organizations*, with on-site feeding capability. These dining social clubs are not entitled to NAF support.

A9.2.4. (Added) HQ USAF/A1S may approve NAF support for expanding programs beyond the core programs listed above when sufficient patron demand dictates, so long as funding is adequate and the expanded programs do not inhibit the operation of core program activities. Submit requests with supporting documentation through NGB/A1S to the gaining MAJCOM/A1S and HQ AFSVA/SVF to HQ USAF/A1S for action. Ensure NGB/A1S receives a copy of the request.

A9.3. (Added) Controls.

A9.3.1. (Added) The gaining MAJCOM must:

A9.3.1.1. (Added) Provide oversight, training, and assistance at the same level as provided other bases in the command (program support, operational assistance, financial expertise, inspection and quality assurance, reviews and analysis, etc.).

A9.3.1.2. (Added) Control availability of NAFs subject to compliance with AF guidance.

A9.3.1.3. (Added) Ensure AF guidance regarding accountability, use of funds, asset controls, personnel, banking, reporting, and program management is followed.

A9.3.1.4. (Added) Monitor financial performance and ensure programs comply with established AF and gaining MAJCOM pricing and profitability policies.

A9.3.2. (Added) Funds and other assets must remain under Federal control.

A9.3.2.1. (Added) Procedures that comply with the 34-series of AF directives must be in place to provide control over locally-generated revenue, procurement, local petty cash-type expenditures, NAF property, and other NAF assets that are maintained at the local level.

A9.3.2.2. (Added) NAF accounting and disbursing services must be in place, either at a NAF accounting office (AO) designated by the command, at the MAJCOM, or as provided through NAF Transformation initiatives.

A9.3.2.3. (Added) The gaining MAJCOM or servicing installation NAF AO must provide NAF financial analyst (NAFFA) services and oversight.

A9.3.3. (Added) If an ANG installation has a large enough MWR program to qualify to receive dividend payments (whether partial or full), establish a separate gaining MAJCOM NAF instrumentality (NAFI) following the procedures in AFI 34-209 and AFMAN 34-214. Establishing a separate NAFI provides a greater level of control, reporting, and accountability.

A9.3.3.1. (Added) The name of the NAFI will be “(Installation name) Federal Morale, Welfare, and Recreation Fund.” Example: “Kingsley Field Federal Morale, Welfare, and Recreation Fund.”

A9.3.3.2. (Added) The charter must clearly reflect the NAFI as an Air Force NAFI, and specifically name the successor fund.

A9.3.3.3. (Added) Contact HQ AFSVA/SVFA for NAFI and Cash Management and Investment Program (CMIP) account numbers.

A9.3.3.4. (Added) The Air Force NAFI must be under the control of an appropriate Federal official, i.e., active duty military member or appropriated fund or nonappropriated fund civilian Air Force employee. If there is no such full-time individual at the ANG base, the NAFI shall be under the direct control of the gaining MAJCOM.

A9.3.4. (Added) MWR facility projects on ANG installations may qualify for AF Base Capital Improvement Fund support. Approval authority for projects outside the core ANG programs is the Deputy Assistant Secretary of the Air Force (Installations).

A9.4. (Added) Reporting Requirements.

A9.4.1. (Added) ANG units.

A9.4.1.1. (Added) Request simplified dividends through NGB/A1S to the gaining MAJCOM/A1S, who forwards the request through HQ AFSVA/SVF to HQ USAF/A1SR. Units must demonstrate the need for simplified dividends. HQ USAF/A1S evaluates all requests and determines if dividends are warranted, and to what extent. As a minimum, requests must include:

A9.4.1.1.1. (Added) Gaining MAJCOM-approved concept of operations

A9.4.1.1.2. (Added) Supporting market analysis

A9.4.1.1.3. (Added) First-year financial plan

A9.4.1.1.4. (Added) Gaining MAJCOM plan for exercising control over funds

A9.4.1.1.5. (Added) Plan for providing accounting and oversight support

A9.4.1.2. (Added) When an ANG unit receiving AAFES simplified dividends from a supporting NAFI no longer meets the criteria to receive that dividends, the accountable official must immediately notify the gaining MAJCOM/A1S, who forwards the information to HQ AFSVA/SVF. HQ AFSVA/SVF will discontinue providing the simplified dividends and begin providing per-capita allocations instead.

A9.4.2. (Added) The NAF AO keeping records for each NAFI providing support to an ANG unit receiving AAFES simplified dividends forwards a quarterly financial statement (RCS: HAF-MWR(Q) 7407) and supporting documents for each unit to its gaining MAJCOM/A1S as required by AF guidance.

A9.4.3. (Added) Gaining MAJCOM/A1Ss forward financial reports and supporting documents as required by AF guidance.

A9.5. (Added) Payment Method.

A9.5.1. (Added) HQ AFSVA/SVF will transfer the applicable AAFES simplified dividend to the NAF AO for qualifying ANG installations each month via CMIP.

A9.5.2. (Added) Annually, HQ AFSVA/SVF will review financial statements, supporting documentation, and any other pertinent information to determine if simplified dividends should be continued at each ANG location. Under the following circumstances, HQ AFSVA/SVF notifies the gaining MAJCOM/A1S that dividends may be reduced or discontinued:

A9.5.2.1. (Added) Where excess funds are accumulating for an ANG location, unless the input from the accountable officer clearly shows why they are needed.

A9.5.2.2. (Added) Where the dividends are not being used to provide programs as originally intended; i.e., to support and improve MWR programs for all eligible patrons.

A9.5.2.3. (Added) When the proper documents have not been submitted by the ANG unit.

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