

Installations

Private Organizations on Department of the Army Installations

Headquarters
Department of the Army
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UNCLASSIFIED

SUMMARY of CHANGE

AR 210-22

Private Organizations on Department of the Army Installations

This is a new Army regulation. It replaces Army policy for the operation of private organizations (POs) on Army installations issued formerly as AR 210-1 which was rescinded in July 1998.

Specifically, this regulation--

- o Establishes responsibilities for implementing DOD Instruction 1000.15 (para 1-4).
- o Provides policies and procedures for allowing private organizations to operate on Army installations (paras 1-5 and 2-1).
- o Issues restrictions on organizations and places limitations on Department of the Army personnel (chaps 3 and 4).
- o Contains management control provisions (app B).

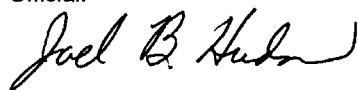
Installations

Private Organizations on Department of the Army Installations

By Order of the Secretary of the Army:

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General, United States Army
Chief of Staff

Official:



JOEL B. HUDSON
Administrative Assistant to the
Secretary of the Army

History. This printing publishes a new regulation.

Summary. This is a new regulation that implements DOD Instruction 1000.15. It provides policy and procedures for

authorizing and operating private organizations (POs) on Army installations.

Applicability. This regulation applies to the Active Army, the Army National Guard of the United States, and the U.S. Army Reserve.

Proponent and exception authority. The proponent of this regulation is the Assistant Chief of Staff for Installation Management. The proponent has the authority to approve exceptions to this regulation that are consistent with controlling law and regulation. The proponent may delegate this approval authority, in writing, to an individual within the proponent agency in the rank of colonel or the civilian grade equivalent.

Army management control process. This regulation contains management control provisions in accordance with AR 11–2 and identifies key management controls that must be evaluated.

Supplementation. Supplementation of

this regulation is prohibited. This does not prohibit establishment of additional local procedures.

Suggested Improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to DEPARTMENT OF THE ARMY, CFSC–SP, ALEXANDRIA, VA 22302–4419.

Distribution. This publication is available in electronic media only and is intended for command levels C, D, and E for Active Army, Army National Guard of the United States, and U. S Army Reserve.

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Chapter 1

Scope

1-1. Purpose

a. Intent. This regulation establishes policy, procedures, and responsibilities for operating private organizations (POs) operating on Army installations. For the purpose of this regulation, private organizations are self-sustaining and non-Federal entities, incorporated or unincorporated, which are operated on Department of Defense (DOD) installations with the written consent of the installation commander (or USAR regional support command commander) or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government (DODI 1000.15). In the event of a conflict of interpretation between this regulation and DOD 5500.7-R (Joint Ethics Regulation), the latter governs.

b. Restrictions.

(1) This regulation does not cancel any specific agreements between an organization and the U.S. Government, DOD, or Department of the Army.

(2) This regulation does not apply to off-post organizations or –

(a) Organizations operating outside of Army installations that request use of Army facilities or other resources.

(b) Appropriated fund (APF) and nonappropriated fund (NAF) contractor and subcontractor organizations and funds on Army installations.

(c) Patients' trust funds.

(d) Prisoner of war funds.

(e) Prisoners' personal deposit funds.

(f) Funds established for civilian employees at civil works activities of the Corps of Engineers.

(g) Army gift funds. (See AR 1-100.)

(h) Chapel organizations operating as extensions of the Army Chapel Program.

(i) Credit unions. (See AR 210-135.)

(j) Banking offices or institutions. (See AR 210-135.)

(k) American National Red Cross. (See AR 930-5.)

(l) United Service Organization, Inc. (See AR 930-1.)

(m) United Seamen's Service. (See AR 700-83.)

(n) Labor organizations subject to section 71, title 5, United States Code (5 USC 71)

(o) Association of Supervisors and Managers. (See DOD 1400.25-M, Subchapter 251.)

(p) Civil Air Patrols. (See Air Force Regulation 46-6.)

(q) Army Emergency Relief. (See AR 930-4.)

(r) Informal Funds. (See AR 600-20.)

1-2. References

Required and related publications are listed in appendix A.

1-3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are explained in the glossary.

1-4. Responsibilities

a. The Assistant Chief of Staff for Installation Management is the Headquarters, Department of the Army proponent for this regulation.

b. The Commanding General (CG), U.S. Army Community and Family Support Center (CFSC), establishes Army policies and procedures for implementing DODI 1000.15.

c. The CGs of major Army commands (MACOMs) will —

(1) Ensure that subordinates and subordinate commands comply with this regulation.

(2) Review installation procedures for monitoring POs.

(3) Require inspections of local procedures and practices as part of the Organization Inspection Program (OIP).

d. Commanders of installations will—

(1) Ensure that Army personnel and POs operating on their installations comply with this regulation. (See the management control checklist at app C.)

(2) Terminate PO operations on the installation when a PO does not adhere to Army policy and procedures.

(3) Ensure that military and civilian personnel working on the installation are informed of restrictions concerning official and personal relations with POs.

(4) Ensure that PO requests for support and fundraising opportunities receive legal review.

1–5. General principles

a. Private organizations are not Nonappropriated Fund Instrumentalities (NAFIs), so they are not entitled to the immunities and privileges given NAFIs.

b. Private organizations are not entitled to, and will not receive, Army endorsement by virtue of their contributions to the military community or installation, their promotion or support of Army goals and objectives, or for any other reason.

c. Subject to section 1033, title 10, U.S. Code, (10 USC 1033) and the Joint Ethics Regulation (JER) there is no official relationship between PO activities and official duties and responsibilities of Army personnel who are PO members or participants.

d. Private organizations are not part of the military, so they will receive only limited Government supervision. The loan of government resources does not create a government obligation or liability for PO activities.

e. Only the PO can choose its specific functions and expenditures. DOD personnel acting in an official capacity will not influence these choices. Likewise, DOD personnel are not authorized to participate in day-to-day management for a PO nor authorized to act as a fiduciary for a PO.

f. Private organizations operate on a financially and operationally self-sustaining basis.

g. Neither the Federal Government nor its NAFIs have any vested interest in the assets of a PO. Neither the Government nor its NAFIs will make any claim to PO assets or incur or assume any obligation of a PO.

h. Neither soldiers nor civilian employees will be assigned to work for POs as an official duty.

Chapter 2 Requirements and Procedures for On-Post Operation

2–1. Written permission

a. Approval.

(1) Before operating on Army installations, POs must request and receive written permission from the commander. The approving document includes —

(a) A statement that neither the installation nor the Government will have any liability for the PO's actions or debts.

(b) A statement that the installation commander may revoke permission to operate at any time.

(2) Private organizations seeking permission to operate on an Army installation will furnish the following required documentation with a written application to the installation commander:

(a) A charter, articles of agreement, constitution, bylaws, or other authorization documentation acceptable to the installation commander. (See format sample at fig 2–1.) If affiliated with a national, regional or State organization, the PO will include documentation of the parent organization.

(b) Any other documentation that states the PO's nature, functions, objectives (including planned use of funds), and activities.

(c) An explanation of membership eligibility and responsibilities for all management functions (including accountability of assets, coverage and limitation of insurance and disposition of remaining assets on breakup of the PO).

(d) A statement of the PO's liability, if assets are not enough to cover all PO liabilities. The statement of liability will include a provision that all State and jurisdictional laws are met. Also, it will address the extent of the PO members' personal liability for debts of, or claims against, the PO.

(e) Agreement to reimburse the Army for utility expenses, unless use is incidental (would cost more to bill and collect than it costs to provide the utility).

(f) A statement that the PO will neither propagate extremist activities nor advocate violence against others or the violent overthrow of the Government.

(g) Statement that PO activities will not seek to deprive individuals of their civil rights.

b. Application reviews.

(1) Installation command review for initial permission to operate (and for revalidation) includes all PO documentation required herein.

(2) Approval is granted or denied based on local conditions and this review, which includes a legal examination.

(3) Reviews ensure that individual members do not personally profit from PO income, except through—

(a) Salaries and wages as PO employees.

(b) Award recognition for services rendered to the organization or community.

(c) Membership in an investment club, as defined in the glossary.

c. Reporting requirements.

(1) In addition to information required when approval is requested, approved POs will supply the following on a routine basis (but not less than annually) to the installation commander's designee, as required by the installation commander:

- (a) Minutes or summaries of PO meetings.
 - (b) Financial statements.
 - (c) Any major changes in PO activities, membership requirements, officers, objectives, organization, constitution, bylaws, use of funds, and management functions.
 - (d) Names, addresses, and phone numbers of officers.
 - (e) A copy of audit reports.
 - (f) A copy of any correspondence about applicability of Federal, State, or local laws.
- (2) Installation commanders will maintain a current file for each PO. The file will contain, at a minimum, the following:
- (a) The PO's initial request to operate on the installation and, for revalidation, subsequent requests to continue.
 - (b) A copy of the installation commander's letter of approval.
- d. Revalidation.*
- (1) Private organizations having approval to operate may operate for 2 years, unless cancelled by either party.
 - (2) Approval expires automatically 2 years from the date of last approval, unless revalidated.
 - (3) Private organizations must submit revalidation requests to the installation commander no less than 90 days before expiration of the 2-year approval. (Commanders may establish longer suspense times.)
 - (4) Requests will include documentation of any changes in PO activities, objectives, organization, constitution, membership, and so forth.
- e. Termination of PO operation.* The membership or the installation commander, who may withdraw permission to operate on the Army installation at any time, may discontinue an organization. Notification by either party will be in writing. On termination, commands may require written agreements that any abandoned PO assets will be considered a donation to the installation. The installation commander has final approval over their disposition. It should be clearly understood that the installation commander has the absolute discretion to determine whether the PO's continued operation is compatible with the Army's interest.

2-2. Recreational and educational POs

- a.* Private organizations operating as bona fide extensions of APF or NAF recreational or educational activities need not fulfill the procedural requirements of paragraph 2-1, although they are subject to all other provisions of this regulation.
 - (1) Bowling leagues, little league organizations, and other recreational POs that operate in coordination with the morale, welfare and recreation (MWR) staff. (See AR 215-1 for MWR recreational clubs that are not POs, but are MWR activities.)
 - (2) Organizations formed and operated in conjunction with schools on an installation that operate under the administrative supervision of a school faculty/staff member (Examples include, but are not limited to, school drama clubs, language clubs, National Honor Societies, and Key Clubs.)
- b.* The installation commander will approve and prescribe local guidance for such operations.

Sample Format Of An Organization's Constitution/Bylaws

ARTICLE I---Organization Name and Purpose

ARTICLE II---General Provisions (Include all statements required by this regulation such as the statement of personal liability. Any documentation, such as a license or certificate of registration, should be attached and noted in this section.)

ARTICLE III---Functions/Activities and Operating Procedures

ARTICLE IV---Membership

ARTICLE V---Officers and Governing Body (Attach names, with addresses and phone #s)

ARTICLE VI---Duties of Officers

ARTICLE VII---Elections and Voting

ARTICLE VIII---Standing Committees

ARTICLE IX---Funding Sources

ARTICLE X---Taxes

ARTICLE XI---Insurance Coverage

ARTICLE XII---Meetings and Quorums

ARTICLE XII---Dissolution [Include the following: "If the Organization is dissolved, all funds in the treasury at the time will be used to meet any outstanding debts, liabilities, or obligations. The balance of these assets will be disposed of as determined by the membership. APPROVED BY MAJORITY VOTE ON ... (date)"]

President (Signature/date)

Secretary (Signature/date)

Figure 2-1. Sample Format Of An Organization's Constitution/Bylaws

Chapter 3

Restrictions on POs Approved to Operate on Army Installations

3-1. General restrictions on approved organizations

a. To prevent the appearance of an official sanction or support by DOD, a PO will not include the following in its title or letterhead:

- (1) The name or seal of DOD or the acronym "DOD."
- (2) The name, abbreviation or seal of any DOD Component or instrumentality.
- (3) The seal, insignia, or other identifying device of the local installation.
- (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.

b. Private organizations will not conduct activities that—

- (1) May discredit the Army, DOD, or the Federal Government
- (2) Impose a financial obligation on the Army or any NAFL.
- (3) Duplicate and/or compete with authorized Army or NAFL activities.

c. A PO is not created, operated or administered for a commercial or monetary purpose (except for investment clubs, as defined in the glossary).

d. Private organizations will not engage in the distribution or sale of alcoholic beverages at any time.

e. Private organizations are responsible for complying with fire and safety regulations, environmental laws, tax codes, and other applicable statutes and regulations.

3-2. Insurance

a. Private organizations will obtain adequate insurance as protection against public liability, claims, property damage claims, or other legal actions arising from PO activities, one or more of the PO's members acting on its behalf, or the operation of any equipment, apparatus, or device under the control and responsibility of the PO.

b. Fidelity bonding will be purchased by an organization for members or employees handling monthly cash flow exceeding \$500. (Bonding will be equal to the normal maximum amount of cash handled.)

3-3. Audit

Organizations with gross annual revenue of \$1,000 or more will arrange for an audit at least once every 2 years, at their own expense. (On change of PO treasurer, an audit will be conducted, regardless of the time elapsed since the last audit.) Organizations with financial statements audited annually by their national headquarters may submit a copy of such an audit rather than applying the following provisions:

a. Private organizations using a double-entry accounting system will have audits done by a qualified auditor. (See definition in glossary and para 5-3c.)

b. Private organizations using a single-entry accounting system are audited as follows:

(1) With income only from contributions, dues, and assessments, audits may be conducted by either a PO member who holds no office and is at least 18 years of age or by a qualified auditor.

(2) When a PO engages in resale or other fundraising activities, the audit is performed by either an appointed committee of three PO members who hold no office, or by a qualified auditor.

3-4. Taxes

Private organizations will comply with all Federal, State, and local tax laws and codes. (The PO will contact the proper tax officials to ensure compliance with all tax laws and will obtain private counsel when such assistance is needed.)

a. Federal income tax. Certain types of POs (such as religious, educational, or scientific) may qualify for exemption from Federal income tax under section 501 of the Internal Revenue Code. When a parent organization controls taxes for local chapters, the local PO will furnish a statement to this, one that is signed by an official of the parent organization's headquarters. Other POs will obtain a statement of their tax status from their Internal Revenue Service (IRS) district office.

b. Federal income tax withholding for employees. For Federal employee taxes and reports on amounts paid, POs will obtain guidance from private counsel or the IRS.

c. State and local sales, income, occupation, and employer taxes. Local law determines whether POs are exempt from State and local taxes.

d. Foreign taxes in overseas locations. Laws of the country where located will be followed.

3-5. Compliance with State or local laws

Generally, POs are not exempt from State or local laws because they operate on Federal property. Private organizations will obtain licensing, certification, or registration of PO activities if required by State, local, or foreign authorities where the installation is located.

3-6. Employment practices

Private organizations will comply with applicable laws that apply to private sector employment. Private organizations are not permitted to operate on Army installations if their employment practices discriminate based on—

- a.* Sex, age, religion, race, color, national origin, or marital status.
- b.* Lawful political affiliation.
- c.* Labor organization membership.
- d.* Physical handicaps.

3-7. Membership practices

a. Organizations will not unlawfully deny membership, unlawfully exclude from participation, or otherwise subject to unlawful discrimination, any person because of race, color, creed, sex, disability, or national origin. (When unlawful discrimination by a PO is suspected, information about procedures for individuals to follow will be publicly disseminated.)

b. The above paragraph does not preclude the following:

- (1) The existence of religious, cultural or ethnic POs when—
 - (a)* Membership is not restricted or discriminatory; and
 - (b)* Similar religious, cultural, or ethnic POs are approved without preference.
- (2) Approval by the installation commander for the operation of certain POs that restrict membership to one sex, when one or more of subparagraphs (a) through (c) below apply. (Examples include women's/men's sport clubs, women's/men's civic associations, and boy/girl scouting organizations.)

(a) The PO's purpose is philanthropic and, by tradition, its membership has been of one sex.

(b) The PO's purpose is to benefit one sex and its membership is composed of that sex.

(c) The PO has a specific purpose and function that restricts membership of one sex, but also has a counterpart organization with the same purpose and function.

c. PO membership campaigns and recruitment practices neither involve nor give the appearance of involving compulsion, coercion, reprisal, or influence.

d. DOD 5500.7-R governs membership drives.

Chapter 4

Participation in Activities of POs Operating on Army Installations

4-1. Scope

This chapter does not apply to Army military or civilian personnel participating in organizations as individuals, acting outside their official capacities as employees of the Federal Government. Such membership or participation is permissible as long as it complies with laws (including the Hatch Act and the Anti-Lobbying Act) and regulations that prohibit soldiers and civilian employees from engaging in activities inconsistent with their Government employment. The JER governs personal and professional participation in POs by Army employees. Prior to serving on a PO board or as an adviser to a PO in a personal capacity, personnel will consult with the organization's ethics adviser. JER, paragraph 3-201 governs service as an official liaison for a PO. Members acting in their official capacity are prohibited from participating in the management of a PO. (See JER, para 3-202 for guidance on seeking an exception to this prohibition.)

4-2. Limitations on Army personnel

a. In an official capacity, Army employees (military or civilian) will remain neutral in dealing with POs. The accommodation of one organization over another will be avoided, and there will be no preferential treatment or even the appearance of favoritism.

(1) Private organizations will receive no special treatment because they promote Army goals or support the military community.

(2) What the Army permits one organization to do, it must be ready to permit other similar types of POs to do.

(3) Without reference to specific organizations, Army personnel may be encouraged in general terms to join, support, and participate in service, professional, recreational, and benevolent organizations. Officials may describe various organizations and their goals, objectives, and activities; however, they will not favor or advocate one over another.

(4) Army employees will not use their titles, offices, or positions in connection with their personal PO participation or to officially endorse an organization or its activities. They will not officially participate in fundraising beyond what is permitted by JER, paragraphs 3–210 and 3–300. (Fundraising for the Combined Federal Campaign and Army Emergency Relief).

(5) Giving the appearance that membership in certain organizations is officially sanctioned by the Government will be avoided. Officer professional development (ODP), noncommissioned officer professional development or other official settings will not be used as occasions for promoting any specific PO or its products. (One example of implied Army endorsement is allowing certain POs to conduct briefings, routinely, at official functions or mandatory training.)

b. Army personnel will not create, operate, or administer a PO in an official capacity, or on behalf of an official purpose, to evade restrictions on expenditures of APFs or NAFs.

c. Appropriated and nonappropriated funds may not be transferred, nor other assets given, to a PO, except as authorized by law.

d. Army officials perform oversight of organizations allowed to meet on Army property, only to the extent necessary to ensure compliance with DOD and Army policy.

e. If an individual has questions about the ethical, legal, or regulatory constraints on participation in a PO, that individual will consult with the appropriate ethics counselor or legal advisor.

f. Employees may not personally solicit subordinates or prohibited sources, as defined in the JER, for PO membership or contributions during fundraising campaigns or allow their names to be used in a solicitation that targets subordinates or prohibited sources. Exceptions are allowed for Combined Federal Campaign, the Army Emergency Relief, Navy–Marine Corps Relief Society, Air Force Assistance Fund, and Emergency and Disaster appeals approved by the Office of Personnel Management (OPM).

g. Employees will not coerce, influence, or compel other employees to join POs. Participation is a personal decision.

(1) Subordinates will not be appointed as points-of-contact for a PO membership drive nor may privileges be awarded, or taken away, for the participation or membership rate in a PO.

(2) Subordinates will not be encouraged to participate in a particular PO either in a formation, on Army letterhead, or by any other official action.

(3) Subordinates will not be asked to explain a decision not to join or participate in PO activities.

(4) Subordinates are not required to attend meetings to learn about and/or join a PO.

(5) Membership or non-membership lists are not maintained at any command or staff level.

h. Employees may participate in their official capacities as speakers and panel members at conferences, seminars, or similar events sponsored by POs subject to limitations in 31 USC 1345, DOD 5500.7–R, and applicable public affairs regulations. (Speeches are not precluded when an official DOD position is expressed in a public forum.)

i. An officer or civilian employee who is a PO officer or director will not participate in official Army matters affecting the financial interests of that PO, even though someone else makes the final decision (18 USC 208).

(1) If an Army employee is a PO officer, director, or employee, the employee will not participate as an Army official in such matters as—

(a) Permitting the organization to use space on an installation.

(b) Engaging in cooperative efforts with the organization.

(c) Approving or recommending approval of other employees' TDY or permissive TDY to attend a training seminar sponsored by the organization.

(d) Determining agency interest for an employee to attend a "widely attended gathering" sponsored by the organization.

(e) Approving an employee's acceptance of travel benefits under 31 USC 1353 .

(2) Generally, officers and civilians will not personally seek official action on behalf of non-Federal organizations (18 USC 205). However, when the organization is composed primarily of Federal employees and their dependents, they may represent such organizations before Army representatives in some instances. (The advice of their ethics counselor should be sought before they engage in any such representational activities.)

j. Under the limited circumstances discussed in the DOD 5500.7–R, employees may be given time off without being charged leave and may use some Government resources in their personal participation with POs (such as writing a paper for a professional association) (JER, para 3–300b)..

k. DOD employees, in their personal capacity, may join and participate in organizations. When efforts do not imply Army endorsement and when no official time or resources are used, purely personal, unofficial efforts to support fundraising outside the workplace and off of Army installations is not prohibited.

l. Installation commanders may acquire property and other PO assets for the installation when PO property is—

(1) Abandoned by a PO due to its dis-establishment or departure from the installation.

(2) Given to the installation by the PO. Bona fide, unsolicited gifts may be accepted from a PO as donation to the government (see AR 1–100) or a gift to a NAFI (see AR 215–1).

Chapter 5

Support of Private Organizations

5–1. Off–post organizations

This regulation does not apply to off–post organizations requesting support. (Off–post organizations are groups that have not received permission to operate as an installation PO.) AR 360–61 and DOD 5500–7–R define support available for community relations and public affairs interests. Limited support for civic and community organizations when the support qualifies as “innovative readiness training” as administered under the authority of 10 USC 2012 and DODD 1100.20.

5–2. Funding

a. Approved POs are self–sustaining, primarily through dues, contributions, service charges, fees, or special assessment of members.

b. Neither NAFIs nor APF activities may incur or assume any obligation of any PO, except as may arise out of contractual relationships.

c. Fundraising on Army property is governed by DOD 5500.7–R and AR 600–29.

(1) Organizations composed primarily of DOD employees and/or their dependents may fundraise among their own members, for the benefit of its members and/or their dependents, when approved by the commander who consults with the ethics advisor before making a decision about approving the fundraiser (JER 3–210).

(2) Installation commanders are responsible for developing local procedures for approving PO fundraising.

d. At the discretion of the installation commander, in consultation with the ethics advisor, POs may conduct nonprofit resales when sales are not in competition with the Army and Air Force Exchange Service or installation NAFIs.

5–3. Use of Army resources

a. Private organizations will not receive financial assistance from a NAFI in the form of contributions, repairs, services, dividends, or other donations of money or other assets. NAFI funds and other assets will not be transferred to POs, directly or indirectly, unless there is legislative authority. (See DODI 1015.9, Scouting Organizations Operating at U.S. Military Installations Located Overseas.)

b. The Joint Ethics Regulation sets out the criteria and requirements that are met before—

(1) Participating in PO events. (Also, see AR 1–211.)

(2) Providing limited logistical support, including speakers.

(3) Co–sponsoring an event with a PO.

c. Private organizations will not use Army services. This includes legal, audit, transportation, postal, printing, information management activities, clerical, financial, copying, management, and procurement services.

d. Army authorities may allow organizations to use Army real estate (including utilities and in–place equipment) under license or lease agreements, per AR 405–80 and DOD 5500.7–R, when in the best interest of the Army.

(1) *License.* Use may be granted by means of a revocable–at–will license when PO use is occasional, non–regular, regular part–time, or full–time. The license may permit storage of equipment and supplies if it does not interfere with, nor restrict, the normal use of the facility by other users.

(2) *Lease.* Use may be granted by lease when the PO is guaranteed sole use on a full–time basis, is guaranteed use for a specific period, or stores in–place equipment or supplies that impair or restrict normal use of the facility by other users. (Rent in the continental United States is determined by the U.S. Army Corps of Engineer district engineer.)

e. For fiscal and logistical support for U. S. scouting organizations (the Girl Scouts of the United States of America and the Boy Scouts of America) operating on U.S. military installations located overseas. (See DODI 1015.9.)

f. The SJA Office will review all PO requests for legal sufficiency before any support is granted to a PO.

Appendix A References

Section I Required Publications

AR 1-100

Gifts and Donations (Cited in para 4-2.)

AR 1-211

Attendance of Military and Civilian Personnel at Private Organization Meetings. (Cited in para 5-3.)

AR 215-1

Army Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities. (Cited in para 4-2.)

AR 360-61

Community Relations. (Cited in para 5-1.)

AR 405-80

Management of Title and Granting Use of Real Property. (Cited in para 5-3.)

AR 600-29

Fundraising Within the Department of the Army. (Cited in para 5-2.)

DODI 1015.9

Professional United States Scouting Organization Operations at United States Military Installations Located Overseas. (Cited in para 5-3.)

DOD 5500.7-R

Joint Ethics Regulation. (Cited in paras 1-1, 3-7, 4-1, 4-2, 5-1, and 5-2.)

Section II Related Publications

A related publication is merely a source of additional information. The user does not have to read it to understand this regulation.

AR 1-101

Gifts for Distribution to Individuals

AR 11-2

Management Control

AR 25-1

The Army Information Resources Management Program

AR 58-1

Management, Acquisition and Use of Administrative Motor Vehicles

AR 210-7

Commercial Solicitation on Army Installations

AR 210-135

Banks and Credit Unions on Army Installations

AR 600-20

Army Command Policy

AR 700-83

Army Support of United Seamen's Service

AR 870–20

Museums and Historical Artifacts

AR 930–1

Army Use of USO Services

AR 930–4

Army Emergency Relief

AR 930–5

American National Red Cross Service Program and Army Utilization

DODI 1000.15

Private Organizations on DOD Installations

10 USC 2544

World and National Boy Scout Jamboree Support

10 USC 2545

International Transportation Support for Girl Scout Events

10 USC 2548

Support for Annual Conferences and Conventions of National Military Associations

Section III**Prescribed Forms**

This section contains no entries.

Section IV**Referenced Forms****DA Form 11–2–R**

Management Control Evaluation Certification Statement

Appendix B**Management Control Evaluation Checklist****B–1. Function**

The functions covered by this checklist include the operation of private organizations on Army installations. They include key controls for obtaining permission to operate, maintaining proper documents for oversight and good standing. Also, restrictions on Army personnel, checking for inappropriate or questionable operation compliance with applicable laws and regulations regarding fundraising, use of Federal property, participation and membership by Federal employee and taking prudent actions to avoid situations injurious to Army interests.

B–2. Purpose

The purpose of this checklist is to assist HQDA, and its field operating agencies, MACOMS, and installations in evaluating the key management controls outlined below. It is not intended to cover all controls.

B–3. Instructions

Answers must be based on the actual testing of management controls (such as document analysis, direct observation, sampling, simulation). Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation. These key management controls must be formally evaluated at least once every 5 years. Certification that this evaluation has been conducted must be accomplished on DA Form 11–2–R (Management Control Evaluation Certification Statement).

B–4. Test questions

- a.* Do POs operating on the installation have permission to do so from the installation commander?
- b.* Does the command maintain documents needed for oversight and necessary to attest that PO operations are in good standing?

- c.* Does the installation adhere to restriction on use of army personnel, military and civilian?
- d.* Are there instances that could be construed as soldiers or civilian personnel working for POs, as part of their official duty?
- e.* Are instances of inappropriate or questionable PO activities or government employee behavior corrected when detected?
- f.* Does PO use of government real estate conform to AR 405–80 requirements?
 - (1) Is there a license or lease agreement for property rights granted to POs?
 - (2) Does the Army receive income due for private use of Federal property?
- g.* When POs conduct fundraisers and are given logistical support for activities, is there a process for approving fundraising and PO support requests, including SJA reviews, to ensure compliance with DOD 5500.7–R?
- h.* Do POs comply with audit and other oversight requirements?
- i.* Is there command and personnel compliance with rules governing Government employee participation in PO activities?
- j.* Do local ethics classes for Army personnel include discussions about proper relationships with POs?
- k.* Are there periodic inspections of PO documentation maintained by the command to determine accuracy and compliance?
- l.* Are there periodic inspections to determine military and civilian personnel compliance with rules of ethics?
- m.* Is there comprehensive enforcement of recommendations resulting from management control evaluations, Inspector General inspections, and the like?

Glossary

Section I Abbreviations

AFR

Air Force Regulation

APF

appropriated funds

CFSC

U.S. Army Community and Family Support Center

CPR

Civilian Personnel Regulation

DOD

Department of Defense

IRS

Internal Revenue Service

JER

Joint Ethics Regulation (DOD 5500.7-R)

MACOM

major Army command

MWR

morale, welfare, and recreation

NAF

nonappropriated fund(s)

NAFI

nonappropriated fund instrumentality

PO

private organizations

SJA

Staff Judge Advocate

TDY

temporary duty

Section II Terms

Audit

An official examination, verification, and correction of account books that shows the financial status of a PO.

Army installation

A location, facility, or activity assigned to, owned, leased, controlled, or occupied by Department of the Army.

Double entry accounting system –

A system in which both elements of each transaction (debits and credits) are—

- a.* Recorded separately; and
- b.* Recorded during the period of occurrence.

Investment club

A membership organization that pools stated amounts of funds to invest in stock or other securities. Usually, group members pledge a regular amount to be paid into the club on a scheduled basis, such as monthly or annually. Some clubs have a committee that gathers information on securities, selects the most promising, and recommends that the club invest in them. Other clubs rotate the investigator responsibilities among all their members. Most require all members to vote for or against all investments, sales, exchanges, and other transactions.

Nonappropriated fund instrumentality

It acts in its own name to provide, or assist other DOD organizations in providing MWR and other programs for military personnel, their families, and authorized civilians. It is established and maintained individually or jointly by two or more DOD components. As a fiscal entity, it maintains custody of and control over its NAFs. It is also responsible for the exercise of reasonable care to administer, safeguard, preserve, and maintain prudently those APF resources made available to carry out its function. It contributes, with its NAFs, to the MWR programs of other authorized organizational entities, when so authorized. It is not incorporated under the laws of any State or the District of Columbia and enjoys the legal status of an instrumentality of the United States.

Nonappropriated funds

Cash and other assets received by NAFIs from sources other than Congressional appropriations. NAFs are Government funds used for the collective benefit of those who generate them. These funds are separate and apart from funds that are recorded in the books of the Treasurer of the United States.

Private organization

A self-sustaining, non-Federal entity, incorporated or unincorporated, which is operated on Army/DOD installations with the written consent of the installation commander or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government or its instrumentalities.

Qualified auditor

A public accountant or certified public accountant licensed by a State or other recognized licensing jurisdiction.

Single entry accounting system

(Often called a combination journal system.) A simple system of recording transactions on a cash basis. No inventories or accounts receivable or payable are kept.

Status of forces agreement

International agreement that defines the status of forces while on the territory of the host country.

Section III**Special Abbreviations and Terms**

This section contains no special terms.

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