



SECRETARY OF THE ARMY  
WASHINGTON

17 DEC 2018

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2018-29 (Non-Federal Entity Competition With Appropriated and Nonappropriated Fund Activities on Army Installations)

1. References:

a. Department of Defense Instruction (DoDI) 1000.15 (Procedures and Support for Non-Federal Entities Authorized to Operate on DoD Installations), October 24, 2008.

b. DoDI 1330.09 (Armed Services Exchange Policy), December 7, 2005.

c. DoDI 1344.07 (Personal Commercial Solicitation on DoD Installations), March 30, 2006.

d. Army Regulation (AR) 210-7 (Personal Commercial Solicitation on Army Installations), 18 October 2007.

e. AR 210-22 (Private Organizations on Department of the Army Installations), 22 October 2001.

f. AR 215-8 (Army and Air Force Exchange Service Operations), 5 October 2012.

g. AR 420-1 (Army Facilities Management), 12 February 2008, Including Rapid Action Revision Issued 24 August 2012.

h. Memorandum, Under Secretary of Defense for Personnel and Readiness, September 26, 2018, subject: Non-Federal Entity Competition with Appropriated and Nonappropriated Fund Activities on DoD Installations.

2. Purpose. This directive provides new guidance for senior commanders when deciding to allow a non-Federal entity (NFE) to operate on their installation in accordance with the references. Additionally, this directive updates policy in reference 1g, chapter 3 (Housing Management); assigns responsibilities; and prescribes procedures for processing home-based business (HBB) applications.

3. Definitions

a. NFEs are self-sustaining organizations, incorporated or unincorporated, that are not an agency or instrumentality of the Federal Government. The membership of these organizations consists of individuals acting exclusively outside the scope of any official

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capacity as officers, employees, or agents of the Federal Government. NFEs include State, interstate, Indian tribal, or local government, as well as private organizations. This directive addresses only those NFEs that operate on Army installations with the express consent of the senior commander or designated authority.

b. HBBs are NFEs that authorized residents own or operate to offer sales or services from within their residence on an Army installation.

c. Persons who reside in family housing on an Army installation and work remotely out of their residence (such as a consultant, freelance artist, or teleworker) or who operate their own business exclusively through online means (for example, eBay and Etsy) are not considered HBBs and do not require approval to operate.

4. Applicability. This directive applies to the Regular Army, Army National Guard/Army National Guard of the United States, and U.S. Army Reserve. It also applies to tenants on active Army installations. Where applicable, joint base memorandums of agreement and DoD joint basing implementation guidance take precedence over this directive. The focus of this directive is to clarify Army policy as it pertains to HBB owners. HBB owners often experience financial and emotional hardship because of the loss of income arising from permanent change of station moves and uncertainty about their ability to operate at their next duty station.

#### 5. Home-Based Business Policy

a. Senior commanders have the authority to permit HBBs in Government-owned or privatized Army family housing on post. Senior commanders may delegate this authority to the garrison commander but retain appellate authority. In all cases, the senior commander's decision is final.

b. The sales or services generated by an HBB generally do not compete with an installation's officially sanctioned commerce. When they appear to compete, the installation will consider HBBs a "supplement" to military exchanges and morale, welfare, and recreation programs or resale activities.

c. Local government licensing requirements, host nation requirements, status of forces agreements, military postal service restrictions, and installation advertising practices must be considered when deciding whether to approve HBB applications. HBB owners are responsible for obtaining and maintaining necessary licenses.

d. Senior commanders are highly encouraged to approve requests for HBBs when the business owner demonstrates authority to operate the same business at a previous duty station and that they meet all local licensure and other legal requirements. In no

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case should the senior commander approve an HBB at the expense of the safety, community tranquility, or good order and discipline of an Army installation.

e. The HBB owner is required to comply with and is subject to inspection by the appropriate city, county, State, or Federal agency, office, or department for compliance with applicable laws, codes, regulations, and requirements.

f. HBB owners must comply with the advertising restrictions outlined in reference 1d, as well as any installation policy letters and community guidelines addressing the same.

## 6. Procedures for Home-Based Business Applications

a. The prospective HBB owner must request permission to establish and operate an HBB on an Army installation in writing to the senior commander or designee.

b. Each installation will designate a point of entry for all HBB applications. Spouse employment is paramount to financial readiness. Installations must process HBB applications as consistently and expeditiously as possible but the process should take no more than 60 days.

c. The HBB owner is responsible for obtaining the necessary permissions, licenses (if applicable), and liability insurance. The HBB owner also is responsible for any damages to third parties arising from the conduct of the business.

d. Personnel desiring to provide childcare in on-post housing must register with the installation Child, Youth, and School Services office as part of the Family Child Care (FCC) provider system. FCC providers contribute directly to unit readiness. Accordingly, the installation should expedite FCC applications whenever possible.

e. HBB owners residing in privatized on-post housing must obtain approval to operate in writing from the community manager before submitting a request to the senior commander.

f. HBB owners may request minor modifications to their housing unit to facilitate successful operation of their business. The HBB owner will bear the costs of such modifications except when the requested modifications match upgrades required for meeting current safety or building codes. If required, the HBB owner also will bear the cost for restoring the housing unit to its original configuration.

g. In Government-owned housing, the HBB owner will reimburse the Army for the cost of utilities at a rate jointly established by a command representative and the

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HBB owner. The installation may waive utility charges when they are minimal and do not warrant reimbursement.

7. Responsibilities

a. The Assistant Chief of Staff for Installation Management is the proponent for this policy and will incorporate the provisions of this directive into AR 210-22, AR 215-8, and AR 420-1 within 2 years from the date of this directive. This directive is rescinded upon publication of the revised regulations.

b. U.S. Army Installation Management Command will publish implementing guidance and develop uniform procedures for HBB owners to use when applying for approval to operate an HBB on Army installations.

8. **Supersession.** Effective immediately, AR 420-1, chapter 3, paragraph 3-19 is superseded.

9. Point of Contact. Direct any questions about this policy to the Office of the Assistant Chief of Staff for Installation Management at [usarmy.pentagon.hqda-acsim.list.saco@mail.mil](mailto:usarmy.pentagon.hqda-acsim.list.saco@mail.mil).



Mark T. Esper

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