

1 NOVEMBER 1999

Personnel Services

PRIVATE ORGANIZATIONS



COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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OPR: 89 SVS/SVF (Ms Barbara F. Tisdale)
Supersedes AAFR 34-1, 1 November 1989

Certified by: 89 SPTG/CC (Lt Col Chris Sarandos)
Pages: 15
Distribution: F

This instruction explains responsibilities and procedures for establishing, operating, and dissolution of a private organization (PO) on Andrews AFB. This instruction supplements procedures in AFI 34-223, paragraph 2. This applies to all private organizations on Andrews AFB MD.

SUMMARY OF REVISIONS This revision reflects new organizational designations, names and office symbols, delegations, and authority to conduct raffles.

1. Responsibilities:

1.1. The installation commander (89 AW/CC) has delegated authority to the 89 SPTG/CC to authorize a PO to operate on Andrews AFB and delegated fund raiser approvals to 89 SVS/CC who determines if the PO will make a positive contribution in terms of morale or service to installation personnel. When a PO no longer makes a contribution, the 89 SPTG/CC will notify the PO, in writing, that its authorization is withdrawn. The 89 SPTG/CC may also withdraw authorization for other just cause, such as failure to comply with requirements of this instruction.

1.2. The 89 SVS/CC gives technical advice on requirements of this instruction to the POs.

1.2.1. Keeps a file on each PO. This file includes but is not limited to:

1.2.1.1. Organization documents, such as PO's request for authorization to operate on the installation, liability insurance or the approved waiver signed by the installation commander, and the approved constitution and bylaws authorizing establishment of the PO. (Sample formats for constitution and bylaws are in [Attachment 2](#).)

1.2.1.2. Revalidation letters showing date of SVF reviews.

1.2.1.3. Outgrant documenting the exclusive use of installation facility or land area, if applicable.

1.2.1.4. Financial statements (attached separately from meeting minutes).

1.2.1.5. Copy of audit reports

1.2.1.6. Any approved waivers.

1.2.1.7. Any resale activity authorizations.

1.2.1.8. Minutes of all PO meetings are required at least quarterly, along with a separate letter notifying the 89 SVS/CC of new officers and their daytime phone numbers. Included in that letter is the working address of the current president.

1.2.1.9. Copies of documents establishing Internal Revenue Service (IRS) tax exempt status, if applicable.

1.2.1.10. Proof of insurance is required if installation commander does not grant waiver.

1.2.1.11. Copy of the installation commander's approval to use the seal, insignia, or other identifying device of this installation, if applicable.

1.2.2. Once every year makes a review of POs. The reviewer:

1.2.2.1. Examines the constitution and bylaws or other organizational documents. The examination should include permission to use facilities, classification of activities, membership provisions, and PO purpose to see if they are still current and accurate. If not, the PO must submit new documentation to the 89 SVS/SVF (Resource Management Flight) for coordination and approval or disapproval.

1.2.2.2. Sees if changes have taken place that result in duplication or competition as prohibited by AFI 34-223, para 10.8.

1.2.3. Makes sure that POs with annual gross revenues (sales income, dues, service charges, and donations) of \$250,000 or more have an annual audit by a certified public accountant (CPA) at the expense of that organization as required by paragraph 10.7.2. When there are signs of fraud or other improprieties, regardless of the amount of revenues, the 89 SVS/CC, advises the installation commander. The installation commander should request an audit by the Air Force Audit Agency to protect the Air Force's interest.

1.3. Officers of POs make sure their organizations comply with the requirements of this instruction and AFI 34-223.

2. Establishment and Dissolution. The 89 SPTG/CC may authorize POs to operate on Andrews AFB. POs submit their constitution, bylaws, permission to operate request, and liability insurance waiver letter to the 89 SVS/CC for coordination.

2.1. The classification of the PO.

2.2. The nature, function, and objectives of the organization.

2.3. Membership eligibility (should be limited primarily to members of the dod family).

2.4. Source of income.

2.5. Notification to all members of their personal financial responsibility, if any, if there are not enough assets to cover all liabilities.

2.6. Responsibilities of managers for assets accountability, liability satisfaction, and assuring responsible financial and operational management.

2.7. Specific guidance on disposing of residual assets.

3. Operating Policy. The following applies to PO operations:

3.1. The installation commander provides limited supervision over POs. The control lies in the commanders' power to authorize and withdraw authorization for these organizations to operate on Andrews AFB. The installation commander ensures compliance with the requirements of this instruction and AFI 34-223, but does not control or dictate internal activities or structures of POs.

3.2. POs with a gross annual revenue of more than \$5,000 will submit annual financial statements to the 89 SVS/CC along with their monthly/quarterly statements.

3.3. POs with gross annual revenue of more than \$100,000, but less than \$250,000, must have a review performed once every year by an accountant at the expense of that organization. CPAs perform annual audits of POs with gross annual revenues of \$250,000 or more. POs pay CPAs to conduct the audits.

3.4. POs may not use, in a title or letterhead:

3.4.1. The name or seal of the Department of Defense or the acronym "DoD".

3.4.2. The name, abbreviation, or seal of any military department or military service.

3.4.3. The name (or material parts of the name) of any Air Force NAFI, e.g., Morale, Welfare, and Recreation (MWR) Fund, Lodging Fund, or Nightingale House Fund, etc.

3.4.4. The seal, insignia, or other identifying device of the local installation without approval of the installation commander.

3.5. Membership discrimination based on race, religion creed, color, age, national origin, or sex is prohibited. Cultural or ethnic POs may organize around a cultural or ethnic focus as long as they do not restrict their membership on the basis of culture or ethnicity.

3.6. Hazing or harassment (physical or mental) as part of the initiation rights of a PO is forbidden.

3.7. Religiously oriented POs may be authorized to operate on installations if:

3.7.1. Requests by similar organizations are also approved.

3.7.2. Authorization is for non-exclusive use of government facilities.

3.7.3. No sign, insignia, or other organizational identification is placed on or inside the government facilities except when the organization's activities are in progress.

3.7.4. Membership is not restricted to members of the religion involved.

3.8. Any employment discrimination based on race, color, sex, age, religion, or national origin, is prohibited (AFPAM 36-2705, and AFI 36-2701). All applicable employment labor standard laws must be followed.

3.9. POs must be self-sustaining. There will be no direct financial assistance to a PO from a NAFI in the form of contributions, dividends, or donations of monies or other assets.

3.10. Neither appropriated fund (APF) activities nor NAFIs may claim the assets of, or make or assume any obligations for, a PO except those that may arise from a valid contract between them.

3.11. Assets that would otherwise be abandoned by a PO may be acquired by the installation under the terms of AFI 51-601, Gifts to the Department of the Air Force, or by NAFI under the terms of AFIs 34-124, 34-104, 34-201, and 34-207.

3.12. Each PO has the responsibility for obtaining adequate insurance. Coverage must provide liability coverage against personal injury property damage claims that may arise from the act of the organization or the members. Fidelity insurance protects the club against misappropriation or embezzlement by members and is optional with the PO. Include an article on insurance in the constitution.

3.12.1. Based on advice from the Staff Judge Advocate, the 89 SVS/CC, determines the limits of liability and types of insurance coverage commensurate with the risks involved.

3.12.2. The installation commander may waive the insurance requirement for activities with low liability exposure. This waiver releases the PO from the insurance requirement of this instruction, but does not protect the PO or its members from valid claims or successful suits. POs send waiver requests to 89 SVS/CC who forwards the request to 89 AW Staff Judge Advocate for review, and then recommends approval/disapproval to 89 AW/CC.

3.12.3. Sometimes POs normal activities may not involve a large insurable risk. However, special events may be scheduled that greatly increase the risk. The POs will be required to obtain necessary insurance commensurate with the risks involved in these special events.

3.12.4. All insurance protection secured, including that for PO assets, is the responsibility of the PO.

3.13. POs will not engage in activities that duplicate or compete with any base SVS activity or NAFI, including the Army and Air Force Exchange Service (AAFES).

3.14. POs must comply with all federal, state, and local laws governing like civilian activities. To qualify as tax exempt organizations for federal tax purposes, POs must be organized for one or more of the purposes specifically outlined in the Internal Revenue Code. POs desiring tax exempt status must file an application with the IRS. IRS tax exempt status does not provide exemption from state, local, or foreign tax laws.

3.15. Income must not accrue to individual members except through wages and salaries for PO employees or other payment for services rendered. Income will primarily offset operational expenses. Expenses may include competitive awards or contributions for worthy purposes such as base youth activities, childcare centers, or chapel programs. As an exception, the 89 AW/CC may authorize investment-oriented POs, if they comply with all other provisions of this instruction and AFI 34-223.

3.16. The actions of POs must not prejudice or discredit the US government or conflict with government activities. Solicitation of funds by POs for themselves is prohibited on Andrews AFB. Also, POs are prohibited from conducting games of chance, lotteries, or other gambling type activities without proper authorization. As an exception, the installation commander may authorize POs to conduct a limited number of bingo games together with regularly scheduled SVS bingo. PO games are conducted in addition to games the SVS activity elects to conduct. The PO furnishes its own cards, prizes, etc., and is responsible for its cash handling procedures. The 89 SVS/CC acts on all requests for such games and ensures procedures are established to provide equitable opportunity to other Andrews POs.

3.17. POs are not authorized to sell alcoholic beverages. This does not preclude PO members from collectively purchasing such beverages for their own consumption if the requirements of AFI 34-219 are met.

4. Other Activities. POs will not engage in resale activities or operate amusement machines unless specific authorization is granted.

4.1. The installation commander may authorize:

4.1.1. Thrift shop sales of used clothing and used merchandise.

4.1.2. Museum shop sales of items related to museum activities.

4.1.3. Occasional sales for fund-raising purposes such as bake sales, dances, carnivals, and similar infrequent functions.

4.2. POs must submit all requests for occasional fundraisers to 89 SVS/CC for consideration and action.

5. Logistical Support and Services. The amount and type of support authorized and given to a PO varies according to the following:

5.1. All POs are responsible for furnishing administrative support, equipment, supplies and other materials at their own expense. Neither NAF nor APF will be used to purchase services, supplies, or equipment for a PO. Government-owned equipment may be loaned or rented to a PO physically located on a base within mission, availability, and statutory authority limits. This equipment is withdrawn when a valid need exists in a government (including a NAFI-supported) activity. POs must return borrowed government property in the same condition received, less fair wear and tear. This will be determined by a joint inspection by the borrower and a government representative.

5.2. Type 1 POs receive support as shown in AFI 34-223. Type 2 POs and type 3 POs may be provided a meeting place. Reimbursement is not required, except open messes, if the use of a facility (to include government-owned equipment, utilities, and janitorial supplies) is occasional and only a minor part of its official uses. Such use must not add to the government's maintenance or janitorial expenses. An approved outgrant is mandatory and reimbursement may be required when a PO has exclusive use of a facility or land area. Reimbursement for space occupied, utilities, maintenance, and other support services is determined according to AFI 32-9003, Granting Temporary Use of Air Force Real Property, AFI 65-601, Volume 1, Budget Guidance and Procedures, and DoDR 7000-14, User Charges.

6. Private Organizational Guidance. POs are not required to comply with, but may use as additional guidance: AFMAN 37-139, Records Disposition Schedule, AFI 34-202, Protecting Nonappropriated Fund Assets, AFI 31-209, The Air Force Resource Protection Program, AFMAN 64-302, and AFI 64-301, Nonappropriated Fund Contracting.

JAMES A. HAWKINS, Brig Gen, USAF

Attachment 1**CLASSIFICATIONS OF POS****TYPE 2 - - AFFILIATED ORGANIZATIONS**

- | | |
|---|------------------------------------|
| -- Scouting Organizations | -- Take Off Pounds Sensibly (TOPS) |
| -- Aviator or Navigator Organizations | -- Religious Organizations |
| -- Financial or Personnel Management | -- Little League |
| -- Weight Watchers | -- Fraternal Associations |
| -- Veterans Organizations | -- Toastmaster or Toastmistress |
| -- Air Force Associations | -- Motorcycle Clubs |
| -- Parent-Teacher Associations | -- Auto Clubs |
| -- Community Service Organizations | -- Sport Parachute Clubs |
| -- Racial/Ethnic Groups | -- Conservation or Ecology Clubs |
| -- Reserve or Retired Associations | -- Other Affiliated Organizations |
| -- Children Have a Potential (CHAP) Org | -- Technical or Nurses Club |

TYPE 3 - - INDEPENDENT ORGANIZATIONS

- | | |
|---|---|
| -- Model, Coin, Stamp, and Hobby Clubs | -- Thrift Shops |
| -- Snowmobile Clubs | -- Golf or Bowling Leagues not affiliated with national organization or Services activities |
| -- Sports Clubs (Tennis, Soccer, Softball) | -- Judo, Karate, and Martial Arts Club |
| -- National Origin Wives Club | -- Youth or Teen Social Clubs |
| -- Little Leagues | -- Archery Clubs |
| -- Auto Clubs | -- Wives and Women's Clubs |
| -- Rod and Gun, Rifle, or Riding Clubs | -- Square Dance Clubs |
| -- Booster Clubs | -- Motorcycle Clubs |
| -- Local Ethnic and Social Action Groups | -- Conservation or Ecology Clubs |
| -- Kindergarten | -- Religious Organizations |
| -- Financial, Personnel Management or Technical Clubs | -- Weight Reducing or Health Clubs |
| -- Scuba, Swim, and Water Clubs | -- Other Independent Organizations |

NOTE: DoD has waived requirements for nationally affiliated bowling leagues to become POs under AFI 34-223

Attachment 2

SAMPLE FORMAT

CONSTITUTION AND BYLAWS

Constitution

(Organization Title)

Article 1

Name and purpose

Article 2

General Provisions

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

The (name of the organization) operates on a military installation only with the consent of the installation commander.

Operation is contingent on compliance with requirements and conditions of all applicable Air Force Instructions.

The membership is liable under the laws of Maryland for organization debts in the event the organization's assets are insufficient to discharge liabilities. "PO members must be aware that, generally, members are jointly and severally liable for the obligations of the PO"

Article 3

Officers and Governing Body

Article 4

Membership or Patronage

(Include membership eligibility (should be primarily limited to members of the DOD family)

Article 5

Method of Financing

(Include all proposed sources of income)

Article 6

Activities

Article 7

Meeting and Quorums

Article 8

Adoption and Amendments

(Include "subject to final review by the 89 SVS/CC")

Article 9

Dissolution

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

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 these assets will be disposed of as determined by the membership. We will notify the Services Commander or division chief of our intent to dissolve the PO and prepare a time-phase action plan to do so.

Article 10

Insurance

(Required)

Attachment 3

SAMPLE BYLAWS

Article 1

Duties of Officers

Article 2

Election and Voting

Article 3

Dues or Fees

Article 4

Standing Committees

Article 5

Finances and Taxes

Article 6

Insurance Coverage

Article 7

Awards/Gifts

Attachment 4**SAMPLE FINANCIAL STATEMENT**

Name of Organization

President

Organizations' address

President's day time phone number

Meeting Minutes of the (Name of PO)

89 SVS/CC

1. Place: Building # _____, Room # _____

2. Date of Meeting: _____

3. Time: _____

4. Chairperson: _____

5. Members present:

6. The minutes of the last quarterly or monthly meeting were reviewed and corrections are necessary. (In case of corrections or additions, list each.)

7. Financial Statement: Make a statement here-indicated review of most recent financial statement, or other appropriate comments.

8. Old Business:

a. Committee reports if applicable. Minutes should be written to summarize discussion points.

b. Other business previously discussed but not concluded.

9. New business: (Use a separate paragraph for each topic)

- a. Review of correspondence.
- b. Recommended changes in policy, organization, etc.
- c. Recommended changes in financial matters.
- d. Recreation, entertainment, activities scheduled.

10. The meeting adjourned at _____, Next meeting will be held _____ at _____, building _____, room _____.

Atch Financial Statement

_____ Name of Recorder

Distribution:

Each Club Member (1)

89 SVS/CC (1)

President's Signature

Date Approved

Attachment 5

SAMPLE FINANCIAL STATEMENT

Name of Private Organization

Date _____

Cash Balance Forwarded \$XXXX.XX

Dues Receipts \$XX.XX

Rent Receipts XXX.XX

Deposit Receipts XX.XX

Other Receipts XX.XX

TOTAL: XXXX.XX

Property Expenses

Supply Expenses

Service Expenses

Utilities Expenses XX.XX

Other Expenses XXX.XX

Insurance Expenses

TOTAL EXPENSES: (XXX.XX)

RESERVE FUNDS:

Clean up deposits XX.XX

Key Deposits XX.XX

Ground Fund XX.XX

Meter Fund XXX.XX

Reserve Fund XX.XX (XXXX.XX)

ASSETS:

Accounts Receivable X.XX

| | |
|---------------------|--------|
| Petty Cash | XX.XX |
| Cash in Bank | XXX.XX |
| Club owned Property | XX.XX |

TOTAL ASSETS: _____

_____Treasure
_____President

Attachment 6

SAMPLE REQUEST FOR PERMISSION TO OPERATE

Date _____

MEMORANDUM FOR 89 SPTG/CC

FROM: (Name of PO)

SUBJECT: Permission to Operate a Private Organization on Andrews AFB MD.

1. Request permission for the (Name of PO) to operate on Andrews AFB.
2. We are a Type 2 or 3 organization with the goal of (state your goal). (List your special events). All special activities will be coordinated with the 89th Services Squadron Commander 2 weeks prior to the planned event for approval or disapproval.
3. Your favorable consideration is greatly appreciated.

President's Signature Block

1st Ind, 89 SPTG/CC

MEMORANDUM FOR (Name of PO)

Approved/Disapproved

89 SPTG/CC Signature Block

Attachment 7

SAMPLE REQUEST FOR WAIVER OF LIABILITY INSURANCE

Date _____

MEMORANDUM FOR 89 AW/CC

FROM: (Name of PO)

SUBJECT: Private Organization Waiver for Liability Insurance

1. Request a waiver for the (Name of PO) to obtain Liability Insurance, which protects public liability and property damage claims.

2. The normal activities of the (Name of PO) are low risk and must be approved by your office before they take place. In the event of a high-risk activity we would obtain adequate insurance protection as determine by the 89 AW/JA. All activities will be coordinated with the 89 SVS/SVF at least two weeks prior to the planned event for approval or disapproval.

3. Your favorable consideration is greatly appreciated.

President's Signature Block

1st Ind, 89 AW/CC

MEMORANDUM FOR (Name of PO)

Approved/Disapproved

89 AW/CC Signature Block