

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**



AIR FORCE INSTRUCTION 65-603

30 JANUARY 2002

**PACIFIC AIR FORCES COMMAND
Supplement 1**

28 FEBRUARY 2003

Financial Management

**OFFICIAL REPRESENTATION
FUNDS-GUIDANCE AND PROCEDURES**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFD 65-6, *Financial Management, Budget*, and governs the use of official representation funds (ORF) to all activities issued ORFs. It implements DoDD 7250.13, *Official Representation Funds (ORF)*, 23 February 1989. Major commands (MAJCOM), Direct Reporting Units (DRU), and field operating agencies (FOA) may supplement this instruction to furnish detailed guidance for base-level operations and provide for periodic self-inspections. Do not issue supplements without prior approval of the Office of the Administrative Assistant to the Secretary of the Air Force (SAF/AA) through the 11th Wing (11 WG). Maintain and dispose of records created as a result of prescribed processes in accordance with AFMAN 37-139, Records Disposition Schedule. Send comments and suggested improvements on AF Form 847, **Recommendation for Change of Publication**, through channels, to 11 WG/FM, 1450 Air Force Pentagon, Washington DC 20330-1450.

(PACAF) This publication does not apply to the Air National Guard (ANG) or Air Force Reserve Command (AFRC) units and members.

SUMMARY OF REVISIONS

This revision aligns with DoDD 7250.13, increasing the limit for mementos to \$260 (paragraph 4.), identifies U.S. Government members eligible to receive mementos, explains ORF usage and clarifies personnel authorized to host official events. AF Form 134, **Report of Contingency Expenditures**, is prescribed. A bar (|) indicates revisions from the previous edition.

(PACAF) It identifies the most current date of AFI 65-603 and renumbers paragraph 12.3 to **12.1**. A bar (|) indicates revision from the previous edition.

AFI 65-603, 30 January 2002, is supplemented as follows:

1. Instructions for Using ORFs.

The Air Force uses these funds to uphold the standing and prestige of the United States by extending official courtesies to certain officials and dignitaries of the United States and foreign countries. The Secretary of the Air Force may authorize the use of representation funds for any purpose considered appropriate according to DoD policies. Unless specifically authorized by the Secretary or designee, commanders may spend ORFs only for official entertainment or other official purposes authorized in this instruction. The MAJCOM OPR will ensure all subordinate units using ORF:

1.1. Keep records on a function-by-function basis to furnish data on how and why these funds were used.

1.2. Conduct entertainment on a modest basis that complies with socially acceptable mores of American society and jointly serves policy objectives of the United States and the interest of the taxpayer. Invite only the minimum number of guests necessary to extend proper courtesy to the guests of honor. When honoring guests from outside the DoD (ratios do not apply to the DoD Protocol category in paragraph 2.4.), observe the following ratios of DoD personnel (including spouses and/or members of the official party) to non-DoD guests:

1.2.1. Parties of less than 30 persons--not more than 80 percent will be DoD personnel.

1.2.2. Parties of 30 or more persons--not more than 50 percent will be DoD personnel.

1.3. In determining the above ratios, foreign military personnel assigned to the host activity are counted as DoD personnel. Deviations of more than 5 percent from the maximum number of DoD participants paid from ORFs need advance approval from the Office of the Administrative Assistant to the Secretary of the Air Force.

2. Authorized Categories of Entertainment:

2.1. **Community Relations.** Entertainment necessary to maintain domestic and foreign civic or community relations.

2.2. **International Relations.** Entertainment in honor of visiting distinguished foreign nationals.

2.3. **Public Relations.** Entertainment for a visiting distinguished American citizen, as specified in paragraph 3.2.

2.4. **DoD Protocol.** Entertainment incidental to a visit by DoD personnel, as specified in paragraph 3.3.

2.5. **Other Expenditures.** Mementos, food and refreshment purchases for inventory and expenses not covered in above categories.

3. Who May Be Entertained:

3.1. Distinguished foreign or U.S. citizens whose rank, position, function or stature warrant extension of official courtesies by the U.S. Government.

3.2. U.S. Federal, state, county and local officials, such as the President and the Vice President of the U.S.; members of the Cabinet; members and professional staff personnel of the Congress; other U.S. Government officials comparable to DoD officials listed in paragraph 3.3.; governors of states; mayors of cities; citizens' committees; and other distinguished or prominent citizens who have made a

substantial contribution to the Nation or DoD, including the local community and members of the news media on certain occasions.

3.3. Commanders may entertain the following members of the DoD at Air Force installations. They must limit costs to what is minimally needed to extend official courtesies to the member while on official visits to the field:

- 3.3.1. Secretary of Defense and Deputy Secretary of Defense
- 3.3.2. Under Secretaries of Defense
- 3.3.3. Director, Defense Research and Engineering
- 3.3.4. Assistant Secretaries of Defense
- 3.3.5. General Counsel of the Department of Defense
- 3.3.6. Inspector General of the Department of Defense
- 3.3.7. Director, Operational Test and Evaluation
- 3.3.8. Assistants to the Secretary of Defense
- 3.3.9. Chairman and Vice Chairman of the Joint Chiefs of Staff
- 3.3.10. Director, Joint Staff
- 3.3.11. Combatant Commanders
- 3.3.12. Deputy Commander-in-Chief, Europe
- 3.3.13. Secretaries, Under Secretaries, Assistant Secretaries and General Counsels of the Military Departments
- 3.3.14. Chiefs and Vice Chiefs of Staff of the Army and Air Force
- 3.3.15. Chief and Vice Chief of Naval Operations
- 3.3.16. Commandant and Assistant Commandant of the Marine Corps
- 3.3.17. Directors of the Defense Agencies
- 3.3.18. President, Uniformed Services University of the Health Sciences

3.4. ORF costs of an event honoring authorized individuals may include members of the official party and other essential invitees. Do not authorize separate events to honor spouses of visiting officials unless specifically related to the official purpose of the visit.

| 4. Authorized Purchase of Mementos.

4.1. Designated hosts may present mementos to dignitaries and officials listed in paragraph **3.**, excluding all U.S. Government employees and military members except the President and the Vice President of the United States, members of the Cabinet and members of the U.S. Congress, including their senior members and professional staff, who may be given gifts according to appropriate ethics laws (see **4.2.** below).

4.2. For U.S. Government employees, check the ethics rules for the current dollar limitation allowable for gifts received. You can check government agency websites or call the visitor's office to

inquire about that agency's current ethics rules. (Currently, the limitation for gifts received by authorized DoD employees is \$20.)

4.3. The aggregate cost of gifts or mementos purchased or presented by a DoD official to an authorized foreign or non-U.S. Government guest and spouse must not exceed \$260.

4.4. Other officials may present ORF gifts only in extenuating circumstances if specifically authorized in writing by the commander, or his designee, who administers ORFs. Normally this would be a subordinate to the ORF authorized official presenting a gift on behalf of the ORF authorized official to a recipient(s) the ORF authorized official would have presented a gift.

5. Authorized and Unauthorized ORF Expenses:

5.1. Authorized expenses for the official party, including authorized U.S. escort officers and interpreters:

5.1.1. Lodging (military or civilian) for **foreign dignitaries**.

5.1.2. Meals and refreshments.

5.1.3. Official communications.

5.1.4. Gratuities for services rendered by **non-governmental** personnel (tips for baggage in and out of hotels, porters, taxi drivers, tips up to 15% for meals and refreshments unless a different gratuity or service charge has been previously agreed upon).

5.1.5. Valet services, which normally would not have been encountered except for travel (cost incurred only during CSAF counterpart program), i.e., accidental incidents such as food stains, etc.

5.1.6. Official entertainment as authorized and required, i.e., theaters, sports activities and events, concerts, sightseeing tours, (for **foreign dignitaries only**: rental of movies in lodging and sundries (snacks, etc.)) for **foreign dignitaries** and the accompanying official party.

5.1.7. Food and refreshments purchased for in-flight meals.

5.2. Unauthorized expenses:

5.2.1. Personal items, such as clothing, toilet articles, cigarettes, hair and beauty care, shoeshine and souvenirs.

5.2.2. Personal telephone calls or transportation where official duties are not involved.

5.2.3. Crewmembers of military aircraft, official drivers, protocol personnel, executive officers and other support personnel are not considered members of the official party and ORFs will not be used to defray their expenses.

5.2.4. Gifts or flowers to be presented by the authorized guests.

5.2.5. Costs for retirement and change-of-command ceremonies for DoD personnel, unless specifically approved in advance by the SECAF.

5.2.5.1. Normally HQ USAF only considers requests for events associated with combatant and major command change-of-command ceremonies for approval. It limits ORF support to the pro rata costs of authorized non-DoD attendees.

5.2.5.2. Requests must include itemized estimated costs and the proposed list of distinguished guests with their titles whose costs are to be paid from ORFs. Administrative Assistant to the Secretary of the Air Force (SAF/AA) (through 11 WG/FM) should receive the request at least 10 working days before issuance of invitations. Do not issue invitations prior to notification of approval.

5.2.6. Payment for membership fees or dues.

5.2.7. Expenses, other than authorized official entertainment, connected with conferences, conventions, seminars, or working groups, except when specifically approved in advance by the SECAF.

5.2.8. Expenditures for seasonal greetings and calling cards.

5.2.9. Expenses for classified projects for intelligence purposes.

5.2.10. Expenses eligible to be financed from other appropriated or nonappropriated funds. However, pro rata costs of non-DoD authorized guests' participation in morale, welfare, recreation and service activities may be paid from ORFs, unless otherwise prohibited here.

5.2.11. Repairs, maintenance and renovation projects to enhance the appearance of DoD facilities.

6. ORF Usage. ORFs are allocated to a position, not a person. Therefore, an ORF designated commander is only authorized use of ORFs in their primary command. For exceptions, see paragraph 11. below.

7. Personnel Authorized To Be Hosts. The SECAF, CSAF and subordinate commanders who administer an approved official representation program may extend courtesies. These officials may delegate their authority in instances where they, as authorized host, are unavailable. Delegation should normally be made to the next highest ranking individual. Delegated hosts must only host events that are commensurate to the level of the delegating authority. Only the SECAF or the CSAF may extend invitations to foreign dignitaries at the expense of the Department of the Air Force.

8. Fund Authorization. Official budget authorizations issued through comptroller channels convey secretarial authority to use ORFs.

8.1. After Financial Management and Comptroller has certified funds availability, the commander, vice commander or the ORF designated commanders below the MAJCOM level must approve funds request for propriety. Delegation of approval authority is not authorized. If a proposed ORF expenditure is unusual, in addition to FM coordination, a legal review is advisable.

8.2. Requests must justify and itemize proposed expenditures, identify the category of entertainment, include proposed guest list with position or title of invitees, indicate guest ratios of DoD to non-DoD personnel where applicable and provide the date of event. Provide a revised guest list and ratio data of actual attendance as part of the final accounting documentation.

8.3. The Defense Finance and Accounting Service (DFAS) uses the approved requests to obligate funds pending disbursement action.

8.4. (Added-PACAF) Prepare requests for ORF expenditures using PACAF Form 229, Request for Official Representation/SM&W Fund Authorization and forward through the appropriate commander for approval.

9. Maintaining Inventories. Control and inventory all purchases of refreshments or mementos for stock using detailed procedures to ensure that:

9.1. There is a perpetual inventory with a clear audit trail of items purchased and later issued from the inventory by name and title of recipient. You may identify coins presented by date and location.

9.2. An annual physical inventory is made by impartial personnel who reconcile the beginning inventory, purchases and items presented, to the inventory on hand. Report findings to the designated funds approval official and file a report with inventory records for audit purposes. **NOTE:** The ORF approval authority appoints the inventory custodians and alternates in writing and ensures they are briefed on their responsibilities for controlling the inventory and related ORF policies.

10. Responsibility for Administering Funds:

10.1. The SECAF is the final approval authority for all ORF expenditures. The Secretary delegates overall management authority to SAF/AA, who also ensures the Air Force Audit Agency conducts audits.

10.2. All DoD personnel authorized to expend ORFs must personally monitor the use of such funds to ensure the highest order of propriety and integrity of all expenditures.

11. Special Requirements. Use of ORFs for purposes not authorized in this instruction must receive prior approval from SAF/AA. Requests must justify the requirement, itemize costs and identify the guests of honor. Send requests to SAF/AA through 11 WG/FM, a minimum of 10 workdays in advance of committing funds.

12. Reporting Required. The following quarterly reports are required by 10 U.S.C. 140 and DoDD 7250.13 for MAJCOMs, FOAs and DRUs authorized PEC 91515F, *Miscellaneous Current Expense Funds*:

12.1. Quarterly Report of Emergency and Extraordinary Expenses (RCS: DD-COMP(Q)1390): Report of cumulative accrued expenditures unpaid and accrued expenditures paid in PEC 91515F will be extracted by DFAS-DE. DFAS-DE/ADR will report for each operating agency code by fiscal year, for current year and the five previous years. Report will be submitted to 11 WG/FM, using mutually agreed upon method, not later than 20 calendar days after the close of the quarter.

12.2. Report of Contingency Expenditures (RCS: SAF-FM(Q)7113). This report carries emergency status code C-2; continue reporting during emergency conditions, precedence normal. Submit data requirements in this category as prescribed, or as soon as possible after submission of priority reports. When **MINIMIZE** conditions are in effect, send report priority mail.

12.2.1. Use AF Form 134, **Report of Contingency Expenditures**. If the report consists of more than one page, the Commander's signature is required only on the first page. A computer-generated product is acceptable provided prescribed format is followed.

12.2.2. To prepare report, in column B organize functions by categories of entertainment (paragraph 2) and subtotal each category. Include primary guest or group honored by position, actual host of event, type of function (luncheon, dinner, reception, etc.) and date held. Columns A, B, E, F and G are self-explanatory; however, you must explain expenditures in column F in detail on the reverse side or on an addendum. In column C, enter total number of DoD military and civilian per-

sonnel (including spouses and/or members of official party); in column D, enter total number of all persons including DoD personnel shown in column C whose expenses were paid from ORF.

12.2.3. On AF Form 134, enter RCS: SAF-FM(Q)7113 in the block "Report Control Symbol" in the upper right-hand corner:

12.2.3.1. Block 1--Total Accrued Expenditures Paid (Disbursements) This Reporting Period. Enter total of the amounts shown under column G. Include only those items representing disbursements during the current reporting period in this total.

12.2.3.2. Block 2--Total Accrued Expenditures Paid To Date (Disbursements). Enter the cumulative disbursements to date. This amount must agree with disbursements reflected on the final Operating Budget and Allotment Ledgers (the position reported in the Status of Funds Data Base Transmission) for the same month that the AF Form 134 shows as the ending month of the reporting period.

12.2.3.3. Block 3--Total Accrued Expenditures Unpaid and Undelivered Orders Outstanding. Enter the cumulative, to date, accrued expenditures unpaid and undelivered orders outstanding.

12.2.3.4. Block 4--Total Obligations. Enter the cumulative obligations, to date, (block 2 plus block 3). This amount must agree with the cumulative obligations reflected on the final Operating Budget and Allotment Ledgers (the position reported in the **Status of Funds Data Base Transmission**) for the same month that the AF Form 134 shows as the ending month of the reporting period.

12.2.4. Send quarterly reports as of 31 December, 31 March, 30 June and 30 September not later than 30 workdays after the end of the reporting period to 11 WG/FM, 1450 Air Force Pentagon, Washington DC 20330-1450. Negative reports are required.

12.2.4.1. (Added-PACAF) Send via e-mail or fax, quarterly reports as of 31 December, 31 March, 30 June, and 30 September not later than the 14th calendar day after the end of the reporting period.

12.2.5. Continue reporting until all obligations for a fiscal year have been liquidated. Block 2 and block 4 should be identical on final report.

12.2.6. The commander or vice commander must sign the report unless sending a negative report.

13. Form Prescribed. AF Forms 134, **Report of Contingency Expenditures.**

13.1. (Added-PACAF) PACAF Form 229, Request for Official Representation/SM&W Fund Authorization. The purpose of this form is required for internal control over the use of ORF and SM&W funds.

MICHAEL MONTELONGO
Assistant Secretary of the Air Force
Financial Management and Comptroller

ATTACHMENT 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

AFPD 65-6, *Financial Management, Budget, 1 May 98*

DoDD 7250.13, *Official Representation Funds (ORF), 23 Feb 89*

Abbreviations and Acronyms

ORF—Official Representation Funds

MAJCOM—Major Command

DRU—Direct Reporting Unit

FOA—Field Operating Agency