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Services

SERVICES BAZAARS PROGRAM

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OPR: 52 SVS/SVA (Mrs. Tami Schneider)

Certified by: 52 SVS/CC (Major Lisa K. Hansen)

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This instruction implements Air Force Policy Directive (AFPD) 34-2, *Managing Nonappropriated Funds*. It outlines procedures to provide a system of operating controls and internal checks for 52d Services Squadron (52 SVS) Bazaars operated by a Private Organization (PO) for 52 SVS, with PO's net proceeds raised from the bazaars used to satisfy a portion of the charitable needs of the Spangdahlem Air Base and its geographically separated units (GSU) communities. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual (AFMAN) 37-123, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS).

1. Concept of Operations.

1.1. The Nonappropriated Fund Instrumentality (NAFI) of 52 SVS is authorized to engage in resale activities, to include bazaars. Bazaars are in the nature of a 52 SVS NAFI Category C or "revenue-generating activity" as defined in Air Force Instruction (AFI) 65-106, *Appropriated Fund Support of Morale, Welfare and Recreation Nonappropriated Fund Instrumentalities*. The NAFI may contract with a PO to operate an occasional, short term, nonpermanent bazaar for the NAFI. When approved by the installation commander (52 FW/CC), the bazaars are base-wide special events and as a NAFI Category C activity qualifies for Air Force Appropriated Fund (APF) support in the same manner in which other NAFI Category C activities receive Air Force or "community" support.

1.2. If operated by (or for) the NAFI, if sales are limited to United States (US) military members, US civilian employees and their authorized dependents, i.e., US military Identification (ID) card holders, and if 100% of the net revenues after expenses go to the NAFI or to charitable activities, NAFI resale activities, to include bazaars, are free of German taxes to include Value Added Tax (VAT).

2. Responsibilities.

2.1. 52 FW/CC:

2.1.1. 52 FW/CC approves the dates, times and location(s) of 52 SVS bazaars as base wide events or functions.

2.1.2. Approval of the bazaar by 52 FW/CC constitutes authorization for Air Force APF support, (sometimes called “community” support) of the bazaar on a non-reimbursable basis to the extent authorized by AFI 65-106 for NAFI Category C activities.

2.1.3. Approval of the bazaar as a base-wide special event by 52 FW/CC authorizes APF resources, which require reimbursement to APF by the NAFI in accordance with AFI 65-106, to be used in support of the bazaars provided the costs of such APF support are reimbursed by the NAFI. If operated by a PO for 52 SVS, approval of the bazaar by 52 FW/CC as a base-wide special event authorizes the NAFI on a reimbursable basis to expend funds. In the case of a PO contracting with 52 SVS to operate a bazaar for 52 SVS, the PO may elect to have the NAFI obtain reimbursable APF support for the bazaar and the PO may elect to have the NAFI provide support, but the PO must reimburse the NAFI 100% of all costs that are required by AFI 65-106 to be charged as expenses for the operation of a 52 SVS Category C NAFI activity.

2.1.4. Approval of the bazaar by 52 FW/CC constitutes approval for 52 SVS to conduct a short-term sales event, and approval for the PO to operate the bazaar for 52 SVS, thereby facilitating the raising of revenue for charitable and 52 SVS activities within the community.

2.1.5. When approving the bazaar, 52 FW/CC will declare whether electrical distribution lines equipment, communications equipment, tents, heaters and other equipment are temporarily excess for the weekend of the bazaar.

2.2. 52 SVS:

2.2.1. Event Approval.

2.2.1.1. 52 SVS will coordinate with the PO to establish a site for the function, dates and hours of operation. The PO will submit a written request to the 52 SVS/CC.

2.2.1.2. 52 SVS will obtain approval from the 52d Mission Support Group Commander, 52d Maintenance Group (52 MXG) Commander and the 52 FW/CC.

2.2.2. Community Support. 52 SVS will develop a staff summary sheet addressing whether 52 FW/CC has declared equipment items listed in paragraph [2.1.5](#). excess for the weekend of the bazaar and requesting the following agencies provide support to the extent allowed as non-reimbursable indirect or common support for this base-wide special event to include:

2.2.2.1. 52 MXG: Hanger 1 and Hangar 2 availability, hangar reservation and equipment removal/return/support.

2.2.2.2. 52d Medical Group (52 MDG): Ambulance support and Public Health inspection of food booths.

2.2.2.3. 52d Fighter Wing Safety (52 FW/SE): Safety review of facility.

2.2.2.4. 52d Civil Engineer Squadron (52 CES): Provide facility blueprint, porta-potties, emergency service support to include fire protection and bomb disposal service, emergency manpower for facility support and refuse collection.

2.2.2.5. 52d Security Forces Squadron (52 SFS): Traffic control, fund security, vendor access and security.

2.2.2.6. Air Force Office of Special Investigations Detachment 518 (AFOSI Det 518): Provide background checks on vendors as required.

2.2.3. 52d Contracting Squadron (52 CONS), on behalf of the Air Force and 52 SVS, will enter into a contract for the PO to operate the bazaar for 52 SVS. 52 SVS will provide 52 CONS with the statement of work to develop a contract for the PO to operate the 52 SVS bazaar for 52 SVS. The statement of work will include the following stipulations:

2.2.3.1. The PO will have experience in conducting large-scale base-wide events such as a bazaar.

2.2.3.2. The PO will be familiar with charitable needs of Spangdahlem Air Base and its GSU communities.

2.2.3.3. The PO must be one that is recognized, as an Article 71, paragraph 3 organization by the German Supplemental Agreement to the North Atlantic Treaty Organization Status of Forces Agreement.

2.2.3.4. The PO will be responsible for all costs of the bazaar except those cost items that can be supplied by APF to 52 SVS Category C activities without reimbursement.

2.2.3.5. The PO will reimburse 52 SVS for 100% of its NAFI cost incurred for the bazaar.

2.2.3.5.1. The PO may pay 52 SVS an agreed upon in advance flat fee to reimburse 52 SVS for pre-specified costs and services provided by SVS to the PO for the bazaar such as Nonappropriated Fund (NAF) payroll, marketing, publicity, supplies and table rental. In the event that the actual costs of these items exceeds the amount stated in the agreed upon flat fee because of the actions or requests of the PO, 52 SVS will present an itemized bill to the private organization for expenses.

2.2.3.5.2. Alternatively, the PO can assume responsibility for all costs of the bazaar. If this is done, 52 SVS will perform those functions, which must be performed by 52 SVS. Additionally 52 SVS will perform those services mutually agreed upon by the PO and 52 SVS, on a reimbursable basis, in which case 52 SVS shall account for its expenses and be reimbursed by the PO for 100% of the 52 SVS costs incurred.

2.2.3.6. The PO will return 100% of net profits (after 52 SVS and other expenses) back into the charitable needs of the community, for example, in the form of scholarships, donations to youth programs, support for awards and fitness programs, child care costs for volunteers, dorm baskets etc.

2.2.3.7. The PO will provide all services listed in paragraph 2.3. The PO can perform the service itself, can subcontract to other POs, have the service performed by 52 SVS, or if applicable and available, have the service performed by APF for 52 SVS on a reimbursable basis.

2.2.4. Vendor Contracts. 52 SVS, with the assistance of the 52 FW Staff Judge Advocate and 52 CONS, will develop standardized vendor contracts for bazaars based on 100% nightly deposits. A contract between 52 SVS and the vendor must be signed prior to the start of vendor sales at the bazaar. The contract will include the vendor's agreement to participate in the bazaar and space rental agreement.

2.2.4.1. 52 SVS will review and sign all 52 SVS contracts with vendors as outlined in AFI 64-302, *Nonappropriated Fund Contracting*, paragraph 2.3.1. and 2.3.7.

2.2.4.2. 52 SVS will coordinate the procedures for having the vendor (the PO contracting with 52 SVS to operate the bazaar) sign the contract (offer), distribution of the signed contracts and review of the signed contract prior to signature by the government.

2.2.5. Marketing and Publicity. If agreed upon by 52 SVS and the PO operating the bazaar for 52 SVS, 52 SVS Marketing (SVK) will provide flyers, posters, marquees, newspaper articles, sandwich boards and other marketing support to include commercial sponsorship. If 52 SVS/SVK is to provide marketing and publicity for the bazaar, the contract between 52 SVS and the PO will detail what 52 SVS/SVK is to provide and what the cost is to be.

2.2.6. Finance.

2.2.6.1. All funds and monies collected at the bazaar from vendor sales, as well as all monies or funds collected from space fees will be deposited into or accounted for through a 52 SVS account and dispersed from a 52 SVS account(s) by the NAFI. Monies collected prior to the bazaar from revenues such as space fees may be disbursed prior to the bazaar to pay expenses accrued prior to the bazaar. Monies and other revenues from vendor sales at the bazaar will be consolidated, reconciled, and deposited nightly by the NAFI.

2.2.6.2. 52 SVS will provide credit card machines for each hangar.

2.2.6.3. 52 SVS will staff finance booths as required or requested in both hangars and will provide personnel to settle swipe terminals for merchant charges each night after the bazaar has closed.

2.2.6.3.1. A designated 52 SVS employee will prepare an AF Form 1876, **NAF Consolidated Cost Center Report**, on a daily basis, reporting all charge figures.

2.2.6.4. 52 SVS will coordinate VAT exemption requirements.

2.2.6.5. 52 SVS will provide technical assistance for swipe machines as requested or required. 52 SVS will charge the contracted PO with a percentage for credit card processing fees.

2.2.6.6. The general ledger section of the 52 SVS Resource Management Flight will maintain a subsidiary record of all transactions pertaining to the bazaar and track disbursement checks.

2.2.6.7. 52 SVS will issue payment checks/electronic fund transfers for the vendor's portion of the event sales revenue by the agreed upon time in the contract.

2.2.6.8. 52 SVS, via the PO, will collect a space fee for all merchandise vendors upon completion of signed contract with vendor. This money is part of the PO's overall income.

2.2.6.9. All checks from vendor sales will be payable to 52 SVS. 52 SVS will verify and stamp all checks nightly when deposits are being picked up.

2.2.7. Tables and benches. If agreed upon by 52 SVS and the PO operating the bazaar for 52 SVS, 52 SVS will provide tables and benches for the bazaar at an agreed upon price as part of a package deal.

2.2.8. 52 SVS will coordinate with 52 CONS and the contracted PO to conduct the initial kick-off meeting to coordinate logistics, set timelines, etc. and coordinate additional follow up meetings as required.

2.2.9. 52 SVS may utilize commercial sponsorship for the event. Any benefit of commercial sponsorship must accrue to 52 SVS, not the PO. POs are not authorized to use commercial sponsorship.

2.3. Private Organization (PO):

2.3.1. Any and all actions as the operator of the bazaar necessary to successfully accomplish the bazaar.

2.3.2. Specific responsibilities include but are not necessarily limited to:

2.3.2.1. The PO will provide sufficient labor to successfully operate the bazaar, to include, as determined appropriate by the PO, ID checkers, runners, kitchen help, office support, and vendor support.

2.3.2.2. The PO will provide childcare for the volunteers, if deemed desirable.

2.3.2.3. The PO may have as an expense of the bazaar, if desired, a volunteer recognition event or other nominal cost per volunteer appreciation.

2.3.2.4. The PO will provide kitchen support and food for vendors and volunteers, if desired.

2.3.2.5. The PO will provide hangar maintenance, i.e., set-up/clean up of tables, etc.

2.3.2.6. The PO will provide office/finance support.

2.3.2.7. The PO will observe and assist with the 52 SVS nightly deposits of all funds and fund control. Deposits will be into a 52 SVS account.

2.3.2.8. The PO will provide office support to ensure all checks accepted by vendors meet the standards required by AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*, and related 52 SVS Operating Instructions and policies.

2.3.2.9. The PO will provide runners to collect all vendor sales sheets and proceeds, and assist in reconciling proceeds to sales sheets.

2.3.2.10. The PO will provide personnel to assist and monitor vendors during the operating hours of the bazaar to ensure customers making purchases sign sales sheets and all sales are properly recorded.

2.3.2.11. At the conclusion of the bazaar the PO will provide 52 SVS with a list of vendors, with the supporting documentation, to substantiate the appropriate amounts to be disbursed.

2.3.2.12. The PO will provide credit card log, bazaar authorization and approval slip, attached to the white copy of the charge receipt, to 52 SVS nightly when swipe terminals for merchant charges are settled after the bazaar.

2.3.2.13. The PO will select vendors for the bazaar.

2.3.2.13.1. A list of prospective vendors will be provided to Army and Air Force Exchange Service (AAFES) for their review. If AAFES objects to vendor being a vendor at the bazaar the vendor will be removed from the prospective vendors list.

2.3.2.13.2. Vendors who are POs or quasi POs are not allowed to sell alcoholic beverages in any form. Commercial vendors may sell closed container alcoholic beverages for off premise consumption. Only 52 SVS may sell alcoholic beverages for on site consumption.

NOTE: This does not prohibit commercial vendors from giving minute, extremely small samples of their products to prospective customers as is customary.

2.3.2.13.3. The PO will contact potential vendors using standardized application/contract (i.e., same for both Fall and Spring Bazaar) six months prior to bazaar.

2.3.2.13.4. Mail, obtain vendor signatures, receive concessionaire vendor applications/contracts and distribute them as required (see paragraph 2.2.4.).

2.3.2.14. Provide information to AFOSI Det 518 and 52 SFS for background checks 60 days prior to the event.

2.3.2.15. Provide base agencies as required with a list of vendors 60 days prior to the event.

2.3.2.16. Arrange and stock a vendor's lounge, if desired by the PO.

2.3.2.17. Coordinate for and select an appropriate number of food vendors to support the bazaar. **NOTE:** With the exception of 52 SVS, food and regular vendors are not permitted to sell alcohol for on premise consumption.

2.3.2.18. The PO will conduct periodic bazaar meetings as required and will invite 52 SVS and 52 CONS to attend to bazaar issues.

2.3.2.19. The PO will market and advertise the bazaar in a manner that makes clear the bazaar is a 52 SVS event, not an event of the PO. This does not preclude the PO from prominently identifying itself as the host of the bazaar.

2.3.2.20. The PO will be responsible for all direct cost elements of operating the bazaar. The PO may satisfy this requirement by using volunteers, by "subcontracting" with other POs, by having APF perform the function, or having a civilian contractor perform the function. Direct cost elements are detailed later in paragraph 3.

2.3.2.20.1. Direct costs include any loss or damage to excess Air Force equipment, specifically to include electrical and communication equipment, made available for use in support of the bazaar.

2.3.2.20.2. Direct costs specifically include the labor costs of setting up and breaking down the electrical system for the bazaar.

2.3.2.20.3. Direct costs specifically include the labor costs of setting up and breaking down the communications systems for the bazaar, i.e., the phone, public address and radio systems used for the bazaar. Direct costs also include telephone connection, disconnection and usage fees.

2.3.2.20.4. Charge vendors and pay to 52 SVS the agreed upon processing fee in the contract for credit card purchases at the bazaar.

2.3.2.20.5. Market and advertise the bazaar as appropriate. If the PO elects to use 52 SVS/SVK, (see paragraph 2.2.5.) for costs. If 52 SVS/SVK is not used, obtain 52 SVS/SVK approval for all advertising and marketing prior to the use of the material (see paragraph 2.3.2.19.).

2.3.2.20.6. Collect space fees from vendors and give the monies to 52 SVS for deposit into a 52 SVS account.

2.3.2.20.7. Publicize the charitable work and giving of the PO and in particular publicize the fact that 100% of the bazaars income, after expenses, goes back to the Spangdahlem and its GSU communities in the form of charitable and community support donations.

2.3.2.21. The PO is reminded that the bazaar generates a large amount of extra work for some APF organizations that must perform indirect or common support that is not reimbursable or required to be paid as a direct cost element by 52 SVS (via the PO). These organizations tasked to perform “community” support in particular are security, traffic control, fund security, vendor access, security for vendor products (provided by the 52 SFS), facility support, porta-potties, emergency services support, and refuse collection (provided by 52 CES) and hanger preparation which includes removal and return of mission essential equipment (provided by 52 MXG). The PO operating the bazaar is encouraged to contract for bazaar direct labor costs with the booster clubs of organizations tasked for extra work necessitated by the bazaar. The PO operating the bazaar is also encouraged to select for food booths the booster clubs of organizations tasked for extra work necessitated by the bazaar. The PO is prohibited from providing anything that might be deemed “compensation” to any individual or organization for performing their APF duties.

2.4. 52 SFS:

2.4.1. Traffic control, fund security, vendor access and security.

2.5. 52 CES:

2.5.1. Provide facility blueprint, porta-potties, emergency services support, emergency manpower for facility support and refuse collection.

2.5.2. Provide use of excess electrical and other equipment required for the bazaar.

2.6. 52 MXG:

2.6.1. Hangar availability.

2.6.2. Hangar reservation, excess equipment and mission essential equipment removal/return/support.

2.7. 52d Communications Squadron:

2.7.1. Provide use of excess equipment necessary for public address system, radios, other communications and phones.

2.8. 52d Operations Group:

2.8.1. Assess impact to wing flying operations, as required.

2.9. 52 MDG:

2.9.1. Ambulance support and Public Health inspection of food booths.

2.10. 52 FW/SE:

2.10.1. Safety review of facility.

2.11. AFOSI Det 518:

2.11.1. Provide background checks on vendors as required.

2.12. Official/non-official POs:

2.12.1. Official and non-official POs operating food booths at the bazaar, having a space at the bazaar to sell goods or services, or contracting with the PO operating the bazaar to provide direct labor, must submit the required documentation for a fundraiser and obtain approval from 52 SVS.

2.13. 52 CONS

2.13.1. Contract with the PO to operate the bazaar for 52 SVS. As necessary, assist in development and review of the 52 SVS contracts with vendors.

3. Costs and Expenses.

3.1. Costs payable by the PO operating the bazaar include all costs incurred by the NAFI in paragraph **2.2.** to support the bazaar, as well as the costs of the items noted in paragraph **2.3.** This specifically includes direct labor costs not provided on a non-reimbursable basis, as well as costs detailed below.

3.1.1. Direct labor costs include:

3.1.1.1. Items and responsibilities outlined above, in particular those direct cost items for performing tasks detailed in paragraph **2.3.**

3.1.1.2. Costs of setting up and taking down electrical systems required to support the bazaar.

3.1.1.3. Costs of setting up and taking down public address, telephone, radio and other communications systems.

3.1.1.4. All NAFI costs incurred by the NAFI under paragraph **2.2.** in support of the bazaar. **NOTE:** Some 52 SVS expense incurred by 52 SVS APF resources necessary for administration and oversight of the bazaar are not charged to the direct labor costs of the bazaar.

3.1.1.5. The PO may, unless required for safety or technical reasons, satisfy its direct cost obligations by using volunteers, by hiring contractors, by using APF resources on a reimbursable basis if applicable and available, or contracting with other POs or booster clubs to satisfy the requirement. For example, in lieu of paying a private contractor, or in lieu of paying reimbursable shop rates for APF 52 CES personnel to set up and take down the electrical system for the bazaar, the PO may make arrangements with the 52 CES booster club to set up and take down the electrical system for the bazaar as long as the 52 CES booster club members voluntarily donating their time to the 52 CES booster club to set up and break down the electrical system are qualified to set up and break down the electrical system.

3.1.1.6. Supplies.

3.1.1.7. Costs of replacing or repairing lost or damaged government equipment that is made available as temporarily excess or surplus equipment at the time of the bazaar. This includes electrical and communication equipment. **NOTE:** Equipment is available for use on a non-reimbursable basis if it is excess or surplus (see paragraphs **2.1.5.** and **3.1.1.5.**).

3.1.1.8. Equipment, if excess or surplus Air Force equipment is not available.

3.1.1.9. Costs of obtaining tables and benches.

3.1.1.10. Equipment maintenance.

3.1.1.11. Phone service.

3.1.2. Those items identified by AFI 65-106 as “indirect cost elements” i.e. non-reimbursable services and other commodities supplied by the Air Force at no cost to the 52 SVS Bazaar include:

3.1.2.1. Refuse collection and disposal service.

3.1.2.2. Common services. These are related to services provided to all base organizations and no additional costs are incurred to provide the services to 52 SVS, in this case a 52 SVS bazaar that is operated by a PO for 52 SVS. Common services include, but are not limited to:

3.1.2.2.1. Emergency services, to include fire protection and bomb disposal.

3.1.2.2.2. Security Forces.

3.1.2.2.3. Safety.

3.1.2.2.4. Medical, to include ambulance, veterinary and sanitation inspection.

3.1.2.2.5. Rescue operations.

3.1.2.2.6. Background investigations.

3.1.2.2.7. Contracting.

3.1.2.2.8. Sewage disposal, to include porta-potties.

3.1.2.2.9. Utilities.

3.1.2.2.10. Facilities, to include the use of the hangars.

3.1.2.2.11. Use of surplus and/or excess equipment for activity requirements.

STEPHEN P. MUELLER, Brigadier General (S), USAF
Commander