

**AR 215-1 Section III**  
**Authorized and Prohibited Uses of Nonappropriated Funds**  
**5–13. Authorized use**

Appendix D addresses authorized uses of APFs. MWR NAFs are used only to pay for, or defray the cost of, a wide range of MWR programs or functions integral to the functions for which the NAFI/entity was established, unless specifically stipulated otherwise in this regulation. Funds from supplemental mission NAFIs support only the requirements for which they were established. In all cases, NAFs are used judiciously and not as a matter of convenience.

MWR NAFs may be expended for authorized APF MWR-related purchases under the DOD MWR USA/UFM funding practices (paras 5–2 and 5–3). Otherwise, NAFs will not be used when APFs are available (see appendix D on APF authorizations). In addition to authority for using NAFs and prohibitions stated elsewhere in this regulation, the following apply:

*a. Awards.*

(1) IMCOM Region directors or their subordinates may authorize the use of APFs to purchase trophies and similar devices for award to Soldiers and units according to criteria in AR 600–8–22 (chap 11) for—

- (a) Their excellence in accomplishments and competitions, which clearly contribute to the increased effectiveness or efficiency of the military unit.
- (b) Competition in intramural and athletic competitions.

(2) NAFs may be used to pay cash awards or to purchase savings bonds, equivalent securities, trophies, plaques, or other items to recognize civilian and military excellence in athletic or nonathletic competition and proficiency in recreational programs or to acknowledge unusual accomplishment supporting special events, as follows:

- (a) Cash, savings bonds, or equivalents will not be awarded in connection with amateur sports competitions when prohibited by the cognizant national sports governing body.
- (b) Events and competition that include prizes or trophies will be officially established, announced in advance, conducted within a stated period of time, and have uniform eligibility criteria.
- (c) All individuals or organizations supported by the sponsoring NAFI/entity will be given an equal opportunity to participate. When limitations are established, such as grade limitations for Soldier-of-the-Month competitions, additional programs such as Noncommissioned Officer of the Month will be established to include those segments of the community previously excluded.
- (d) Eligibility to participate will be limited to authorized patrons of the sponsoring NAFI/entity unless the garrison commander authorizes participation by members of the local community or others to foster community relations.
- (e) The total value of prizes, in cash or any other form, will not exceed \$500 for individual, team, or unit awards unless higher limits are approved at the IMCOM Region level. FMWRC may approve higher limits for awards for specific garrison, IMCOM Region, or Armywide competitions conducted by FMWRC.

(3) Awards honoring volunteers or gratuitous service personnel at volunteer recognition ceremonies may be purchased with NAFs.

*b. Mementos.* Mementos (not to exceed \$200) may be purchased for presentation to distinguished military and other visitors in recognition of their contributions to the Army's MWR program (or NAFs of non-MWR NAFIs, when recognition is related to the purpose for which the NAFI was established).

*c. Incentive awards programs.* Such programs for NAF employees are outlined in AR 215–3.

Note. Incentive awards programs for APF employees are outlined in AR 672–20. APF employees and military personnel are excluded from the NAF awards programs but are eligible to participate in the NAF suggestion program and may be nominated for award of The Order of the White Plume.

*d. Food and beverages.*

(1) The purchase of food and beverages (to include alcoholic beverages) is authorized from NAFs for distinguished visitors, official guests, and others as outlined below. Use of NAFs to defray associated costs (linens, cleaning costs, master-of-ceremony fees, entertainment, and decorations) entailed with hosting MWR events and distinguished persons is an authorized NAF expense. The following NAF expenditures must support the MWR program and be in keeping with rules of protocol and in the best interest of the Army.

- (a) Recognition celebrations in honor of individuals providing voluntary services to missions, which support Soldiers and their Family members.
- (b) MWR events open to the entire military community and approved by the garrison commander. Alcoholic beverages provided at these events are limited to malt beverages and wine. Events should be of a traditional historical or military nature. Dignitaries from the local community may be invited to the MWR event to promote good community relations.
- (c) Luncheons, dinners, and special occasions hosting officially invited distinguished visitors or honoring military personnel for unique MWR accomplishments, when approved by the garrison commander. NAFs will be used to pay food and beverage (including alcoholic beverages) costs of the person being honored and guests accompanying the person being honored. All other attendees are required to pay.
- (d) Distinguished visitors officially invited to participate in service school functions, including a limited number of students and faculty, and service school students attending receptions, graduation events, and other special occasions. Approval by the service school commandant or superintendent is required.
- (e) Receptions or meals provided to registered attendees in conjunction with authorized Army MWR worldwide conferences.

(2) Per diem for meals (or receptions if considered meals) provided per paragraphs 5–13d(1)(c), (d), and (e) will not be claimed on the travel voucher if in a temporary duty (TDY) status.

(3) See program policy in chapter 8 for authorized expense accounts for the purpose of food and beverages.

*e. Civilian employee awards celebrations.* Nominal celebratory expenses and refreshments for MWR and NAF civilian employee awards celebrations are authorized with NAFs, subject to the following or similar procedures. Garrison commanders must prescribe local procedures and they must withstand the test of public scrutiny.

(1) Refreshments will be limited to coffee, tea, juice, and/or soft drinks, and fruit, cheese and crackers, and donuts, cookies, and/or cake. Banquets, luncheons, or meals are not authorized.

(2) Celebrations will be infrequent, no more than quarterly, and include a number of employees receiving awards for the previous period.

(3) NAF expenses will be kept to a minimum, commensurate with the frequency of the occasion.

(4) Monies are budgeted for the ceremonies, within each program.

(5) Celebrations are limited to NAF program employees, recognizing them for improvements in customer relations, customer service, winner of sales contests, and employee of the month, quarter, or year. These celebrations will be geared to the program-level employee, rather than garrison, IMCOM Region, or DA-level (ECECS) employees.

(6) Annual appraisal certificates may be presented, but should not be the basis for holding such celebrations.

(7) See paragraph 5–14h for prohibited use of NAFs.

*f. Hosting Army Soldier Show.* NAFs may be used for expenses involved in hosting the Army Soldier Show. Specific hosting requirements are issued annually by FMWRC. Expenses may include lodging, refreshments, and meals.

*g. Personalized printed material.* NAFs may be used only to purchase business cards used by MWR managers,

marketing personnel, or other MWR personnel who need to exchange or distribute business cards in the performance of their jobs.

*h. Memberships.* Professional, trade, or civic association membership dues and fees may be funded with NAFs. Membership must benefit the MWR program or NAFI mission and be in the name of the organization (MWR program; NAFI; or position, such as Director, MWR), not that of any individual. AR 360–1 prescribes the use of APFs for command memberships that support MWR programs.

*i. Professional accreditation.* NAFs may be used to pay the cost for NAF employees to obtain and renew professional credentials, including expenses for professional accreditation, State-imposed and professional licenses, professional certification and examinations to obtain such credentials, when beneficial to the NAFI/entity and subject to the following:

- (1) Payment of expenses will not be an entitlement. Continued payment of expenses associated with licenses and certification will be discretionary and not guaranteed.
- (2) Priority for payment of expenses associated with licenses and certification and related expenses will be given when it is required by appropriate local, State, or Federal Government authority to perform the work required by an employee's position.
- (3) This authority does not apply to payment for academic degrees or fees for membership in professional societies or associations.
- (4) Payment will be made on a reimbursable basis upon the successful receipt of the credential. Reimbursement is made through completion of SF 1164 (Claim for Reimbursement for Expenditures on Official Business) and will be paid from the NAFs used to pay other pay and benefits of the NAF employee. Reimbursement of expenses is not retroactive. The employee requesting reimbursement under this authority must have written approval from the appropriate approving official prior to incurring the expense.
- (5) An annual report will be required by the Office of the ASA(M&RA) to evaluate the effectiveness of this program. The report will be submitted by IMCOM Region through appropriate channels to the Office of the Deputy Chief of Staff, G–1 (DCS, G–1) and include, at a minimum, the amount of payments made by job series and grades, and race and national origin, and credentials obtained. The Modern Defense Civilian Personnel Data System will be modified to provide essential data for program evaluation.

*j. Personnel costs.*

- (1) *Salary and benefits.* NAF personnel-related costs for NAF employees or contracted services will be paid in accordance with AR 215–3 and AR 215–4.
- (2) *Extra pay.* The payment of commissions, fees for services, or any other extra remuneration to NAF employees is described in AR 215–3. Restrictions on advance pay for foreign nationals will be waived when such payments are permitted by applicable agreements.

*k. Unit funds.* Unit funds will be used for the collective benefit of all unit members for off-duty recreational purposes as outlined in this regulation. They also may be used to purchase unit histories and related materials for presentation to all unit members and new members when they join; for distinctive insignia, when APFs are not authorized by AR 670–1; and welcome home celebrations (see para 8–29). Policy on unit fund dividends is contained in chapter 6.

*l. NAF limited-term leasing of recreational facilities.*

- (1) NAFs may be used to contract for limited-term leases of condominiums, campsites, or other types of recreational facilities at off-site locations, for use by authorized MWR patrons for recreation during off-duty times (military units, groups, or individuals).
- (2) Lessor will not be exempt from local property taxes, based on immunity as a NAFI/entity. Neither the NAFI/

entity nor its patrons are subject to State or local use taxes as a consequence of subleasing to authorized users (see AR 215–4).

(3) The lessor must retain liability insurance for injuries or loss occurring on or in leased property.

*m. Reimbursement of volunteer incidental expenses (10 USC 1588).* Volunteers may be authorized reimbursement for certain incidental expenses in the course of providing voluntary services. Volunteer incidental expenses may be paid from available APFs or budgeted NAFs. The commander or official in charge of the sponsoring organization accepting the voluntary services will determine that reimbursement is necessary to obtain the voluntary services and that the amount to be reimbursed is reasonable in amount and in relation to the value of the voluntary services provided, following coordination with the responsible resource manager. Voluntary services may be provided to programs providing services to members of the armed forces and their Families, to include, but not limited to, Family programs and Family readiness, child, youth and school services, library and education, religious, housing referral, employment assistance to spouses of such members, and MWR. AR 608–1 provides more detailed guidance on determining whether to reimburse the volunteers with APFs or NAFs. It also provides guidance on when volunteers are considered employees of the Federal Government and the NAFI/entity. Chapter 13 of this regulation provides additional policy on volunteers. Funding may be provided on an equitable basis and in accordance with the following:

(1) *Reserve Component (RC) volunteers.* To satisfy volunteer reimbursement requirements, the Director, Army National Guard (ARNG), and the Chief of Army Reserve may submit ALR SSE requests annually for the subsequent fiscal year (see chap 16) to FMWRC for review and approval. Regional Readiness Commands and State Adjutants General will be responsible for the accountability of reimbursement expenses in their geographic area.

(2) *Child care for volunteers.* Available APFs will be authorized for child care expenses of volunteers. Budgeted NAFs may be used only when certified that APFs are not available. NAF expenses may be reimbursed by one of the following reimbursement methods, dependent upon the availability of child care:

(a) Those using alternate child care or approved Family child care (FCC) (see definitions for both in AR 608–10) may be reimbursed from petty cash funds using accounting controls described in appendix G of this regulation and DFAS-IN Regulation 37-1, chapter 32 (para 320703). The reimbursement amount will not exceed the appropriate child development center (CDC) hourly rate or approved range of FCC fees for equivalent care.

(b) Those using the CDC will sign for services rendered at the CDC on their agency specific sign-in sheet. The sign-in sheet will be attached to the daily activity report (DAR) and forwarded daily to the CAO for accounting as an interactivity expense transfer. Copies of sign-in sheets will be sent to the user agency monthly at a minimum for reconciliation. Programs using interactivity expense transfer will ensure that funds are available to cover child care expenses. To verify hours eligible for reimbursement, volunteers will be given a voucher to present to the CDC when their child is picked up. Child care over and above the time indicated on the voucher will be the responsibility of the volunteer.

(c) Responsibility for resolving discrepancies between CDC sign-in sheets and actual hours contributed rests with the sponsoring organization. To prevent abuse, sponsoring organizations will review sign-in sheets and follow up on discrepancies.

(3) *Training.* Funding will be authorized for volunteer training to include enrollment expense, travel, and per diem, held at another site, if it is determined that the supported organization would benefit from the offsite training.

(4) *Funding for travel.* APF and NAF funding for travel will be in accordance with the JFTR and Secretary of the Army Travel Policy Army Directive 2005–01. Generally, when a volunteer spouse or other qualified individual is selected to serve as a member of the delegation to an official conference concerning Army Family programs or quality of life/well-being issues, the organization that is sponsoring the conference may authorize the sending command to issue invitational travel orders (per diem authorized) for that volunteer's travel if certain conditions apply. Those conditions are detailed in Army Directive 2005–01.

(5) *Telephone bills.* Reimbursement for long-distance telephone calls made as a result of volunteer duties will be authorized if documented and approved in advance.

(6) *Mileage and parking.* Use of a POV to perform volunteer duties is a reimbursable expense. Current Government rates (see the Joint Travel Regulations (JTR)) will be used. Necessary parking fees incurred in the course of performing voluntary services is a reimbursable expense. A receipt is required to receive reimbursement.

(7) *Newsletters.* Family readiness groups may use Government printing supplies and equipment and APF for postage for command authorized newsletters containing information that is otherwise unofficial, when the local commander determines that its dissemination may improve morale or esprit de corps. An unofficial item may be included only if it is not otherwise prohibited by DOD 4525.8–M, it does not exceed 20 percent of the printable space used for the official items, there are no increased costs to the Government, and it does not include personal wanted/for sale advertisements. (Newsletter content is official when it is educational, promotes unit cohesion, and is related to unit mission, Family readiness group programs, and Family and unit readiness.) (Unofficial information is nonmission related and more personal in nature, such as birth announcements, anniversaries, birthdays, recipes, fund raising for private organizations, and other similar events.) NAFs or funds generated by Family readiness groups may be used for mailing unofficial newsletters and to mail newsletters containing official information when APFs are authorized but certified not available.

(8) *Food and beverage.* Refreshments and other food and beverage furnished to volunteers normally are not considered incidental reimbursable expenses except—

(a) Volunteer spouses of Soldiers authorized to use APF dining facilities may be reimbursed with NAFs for the difference between the discounted and standard meal rate charged at APF dining facilities.

(b) If a volunteer from the local area is providing a service in support of an official conference concerning Army Family programs or quality of life/well being issues, the costs for food and beverage, with the exception of alcoholic beverages, may be reimbursed by the organization sponsoring the conference. (JTR, para C2400–B, may be used in establishing the “local area” for this purpose.) The costs of the food and beverages will not exceed Government per diem and be provided only on the day(s) of the voluntary service.

(c) As with other payments to volunteers, prior approval of the reimbursement by the sponsoring organization officer or official in charge will be required as outlined in paragraph 5–13m.

(9) *Recognition.* Contributions and achievements may be acknowledged through appropriate recognition celebrations funded with NAFs. Recognition programs may include presentation of mementos, nonmonetary awards, certificates, and identifying insignia, and the purchasing of food and beverages for those persons being recognized.

*n. Child care for Family members of military personnel attending installation-wide newcomer orientations.*

Reimbursements of child care expenses for Family members of military personnel attending installation-wide newcomer orientations may be funded from locally available NAFs. NAF reimbursement methods are the same as for child care for volunteers (see para 5–13m).

*o. Foster Grandparent Program (APF and NAF funding).*

(1) Use of APFs for Foster Grandparent Program participants will be limited to Family advocacy cases involving suspected or substantiated child abuse or neglect and only when the Family Advocacy Case Review Committee determines that—

(a) Foster grand parenting is required to prevent further abuse or neglect or as part of an ongoing program of treatment.

(b) The parents or guardians of the child are unable to pay the cost of such services.

(2) Garrison commanders may authorize use of local NAFs in situations where APF use is not authorized.

*p. Commercial printing.* NAFs may be used for commercial printing of material containing commercial advertisements and commercial sponsorship (see chap 11).

*q. Programs closely associated with MWR programs.* Limited MWR NAFs will be authorized to enhance the

delivery of non-MWR programs closely associated with MWR programs or morale of Soldiers, Families, or DOD civilians. NAFs will be authorized only when APFs are not authorized. Historically, NAFs are used to support such programs as Army Family Team Building, Army Family Action Plan, Soldier of the Year, Commandant's school activities, overseas scouting, reimbursement of volunteer incidental expenses, and Army Community Service. Examples of limited NAF expenditures include mementos, hosting, recognition celebrations, nonmonetary awards, distinctive clothing, food locker items, and promotional items.

*r. Promotional items.* NAFs will be authorized to purchase promotional items used in marketing MWR programs. Promotional items include T-shirts, pens, hats, key chains, mugs, seasonal promotional greeting cards sent by MWR organizations, and other items of a single nominal value. Promotional items may be inscribed with the name of the activity or an MWR program, but they cannot be personalized (names of individuals).

#### **5–14. Prohibited uses**

*a. Public scrutiny.* NAFs will not be used for any purpose that cannot withstand the test of public scrutiny or which could be deemed a misuse or waste of Soldiers' dollars.

*b. Authorized APF expenditures.* NAFs will not be used to pay costs in acquiring items or services authorized to be paid from APFs when APFs are available (except under DOD MWR USA/UFM funding practices, see paras 5–2 and 5–3). However, NAFs may be used—

(1) When the appropriate official certifies in writing that authorized APFs cannot satisfy the requirement.

(2) When functions, programs, and activities to be funded with NAFs are integral to the functions for which the NAFI/entity was established, unless otherwise specified elsewhere in this regulation.

*c. Support of POs.* NAFs or NAF assets will not be transferred to POs as dividends or other distributions. NAFIs/entities will not provide NAF financial assistance in the form of contributions, repairs, services, dividends, or other donations of money or other assets to private organizations or individuals unless authorized by other regulations, DOD policies, or law. For assistance to Scouting organizations, see DODI 1015.9.

*d. Distributions to charities.* NAFIs/entities will support only those programs and functions for which the NAFI/entity is organized. NAFIs/entities do not contribute to or engage in fundraising activities for charities, foundations, and similar organizations nor collect or disburse donations of private or personal nature.

*e. Real property.* Purchase of real property (land, buildings, and other fixed improvements) will be limited to the acquisition of commercially owned buildings on Government property.

*f. Garrison MWR operating entity revenue deposits.* Revenues generated from a defined MWR program will be deposited in accounts at the IMCOM Region and used only for reinvestment in the MWR program, unless otherwise authorized in this regulation.

*g. Supplemental mission income or expenses.* Supplemental mission programs may be accounted for in the Region single MWR fund. The income generated by supplemental mission programs may be used only to support the specific program or function for which the account was established including their NAF capital expenditures and fund management overhead. Other MWR NAFs will not be transferred to or expended from supplemental mission accounts, and supplemental mission NAFs will not be expended for the MWR mission. As an example, donations designated for ACS may be deposited in the Region single MWR fund ACS supplemental mission account. The amount deposited will be used only to support the ACS mission and other MWR NAFs are not used to supplement the ACS account (unless authorized elsewhere in this regulation.)

*h. Food and beverages.* NAFs will not be used to pay for refreshments or meals for any person except as described in this regulation.

*i. Non-MWR functions.*

(1) NAF payment for any expense involved in a change of command or retirement ceremony, command representation, protocol function, scholarships, free mailing or postage, unit ceremonies, or any other specific benefit for select individuals or groups will not be authorized.

(2) Items for retirements, funerals, or other such personal-type events will not be purchased with NAFs.

(3) NAFs will not replace or supplement appropriations for public affairs, medical, religious, or other activities or programs that are outside the purposes for which the NAFI/entity was established.

(4) NAFs will not be used for costs of employees who are not performing duties directly related to the NAFI/entity function or mission.

*j. No proprietary interest.* Individuals, units, organizations, garrisons, or installations do not have proprietary interest in NAFs or NAFI/entity assets.

*k. Personal items.* NAFs will not be used for personal items, such as memo pads including personalized memo pads used at work, or personal greeting cards.

*l. Personal loans.* NAFs will not be loaned to individuals, either in cash or as an advance payment of wages or allowances, except as provided for in AR 215–3.

*m. Payments to individuals.* Cash, securities, or other NAF assets will not be paid to individuals, except for awards and other recognition programs provided for in this and other regulations. Payments to individuals for service contracts or for costs associated with administering the NAF personnel system prescribed in AR 215–3 are not considered payments to individuals.

*n. Contracts.*

(1) NAF contracts with military or civilian APF or NAF employees will be prohibited except as authorized by AR 215–4. Common law rules to determine whether an individual is an independent contractor are in DOD 7000.14–R, volume 13, chapter 8 (para 080701); see also IRS Pub 15-A.

(2) NAFs and NAF contracting personnel and procedures will not be used for APF purchases. NAF contracting offices cannot obligate APFs.

*o. Sale of drug paraphernalia.* NAFIs/entities will not purchase, distribute, or sell any material, device, or equipment that is known to be used in conjunction with illegal, illicit, or prohibited drugs of any type.

*p. Dual funding.* NAFs will not be used to—

(1) Duplicate or augment authorized individual or unit awards financed from APFs.

(2) Augment APF construction (see chap 15).

*q. Political activities.* See AR 360–1 pertaining to election year policies.

(1) NAFs will not be used directly or indirectly for any personal service, advertisement, e-mail, telephone call, letter, printed or written matter, or other communication intended or designed to influence any public official. This prohibition does not apply to NAF personnel communicating with or preparing correspondence in response to requests from such officials or preparing requests for legislation or appropriations that are necessary in the conduct of official business.

(2) NAFs or MWR facilities will not be used by any candidates for public office, political assemblies, or meetings and/or any other activity that could be construed as politically oriented.

*r. Uniform items.* NAFs will not be used to purchase any military uniform item (except as authorized in para 5–13), including band uniforms or other articles of individual or organizational military equipment.

*s. Military medical treatment facilities services.* NAFs will not pay for the initial emergency medical treatment after an on-the-job injury (or illness) (see para 19–87), for physical examinations required as a condition of employment or for pre-deployment physicals for NAF employees . Payment for nonemergency services is a personal financial responsibility.

*t. APF support.* NAFs will not be used instead of authorized APF support as a matter of convenience.

*u. Other.* See appendix D for other specific NAF prohibitions.