Private Organizations and Unofficial Activities Handbook

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## Chapter 1 – Definition/Authority

1. This booklet provides information and sample documents for private organizations (PO) and unofficial activities (UA) wanting to become officially recognized on Air Force installations. It also provides guidance with regard to unit unofficial activities and unofficial activities/organizations on Joint Base Anacostia-Bolling (JBAB). The governing directives for these activities are AFI 34-223, *Private Organizations (PO) Program*, AFI 36-3101, *Fundraising within the Air Force* and DOD 5500.07–R, *Joint Ethics Regulation*. Compliance with these directives is mandatory.

2. POs are self-sustaining special interest groups set up by people acting outside the scope of any official position they occupy in the federal government.

a. POs are not integral parts of the military service or federal entities.

b. They are not non-appropriated fund instrumentalities (NAFIs) as defined in AFI 34-201.

c. They are not entitled to the sovereign immunities and privileges given to the Air Force.

d. They operate on Air Force/Air Force lead installations with the written consent of the installation commander.

3. UAs are small groups of individuals who are not required to be formally established as POs because their current assets (which include cash inventories, receivables and investments) do not exceed a monthly average of $1,000 over a 3-month period. Examples of unofficial activities include coffee funds, flower funds, sunshine funds, etc. If a UA’s current assets exceed the $1,000 over a 3-month consecutive limit, it must become a PO, discontinue operations or reduce its current assets. UAs follow the same general rules as POs with the exception that they are not required to have a constitution or file annual financial reports. An annual financial report submission is not required; however, that does not eliminate the requirement for the unofficial activity to maintain financial records to ensure full accountability of amounts received and expended. It is the responsibility of the UA to initiate actions when its assets exceed the $1,000 limit.

 4. Unit Commanders must weigh the pros and cons of transitioning their unit unofficial activity into a Private Organization. As a general rule, unit unofficial activities’ fundraising efforts are considered “by us for us” fundraising within the meaning of JER Section 3-210. As such commanders may advertise and support their fundraising efforts through the use of official communication systems (to unit members) and by allowing unit personnel to support such efforts while in duty (but not to interfere with the mission) status. On the other hand, unit unofficial activities may not solicit gifts from outside sources or engage in off-base fundraising.

## Chapter 2 – Responsibilities

1. *Installation Commander:*

*(NOTE: The responsibilities outlined in this section have been delegated to the 11th Mission Support Group Commander (11 MSG/CC).)[[1]](#footnote-1)*

a. Authorizes the establishment and operational control of a PO:

(1) When it is determined that the PO will make a positive contribution for base personnel.

(2) May withdraw authorization of the PO to operate on JBAB if the PO:

(i) Prejudices or discredits the US Government.

(ii) Conflicts with Government activities.

(iii) Any other reasonable or just cause.

b. Approves requests for fundraisers or may delegate this approval function to the 11th Force Support Squadron Commander (11 FSS/CC).

c. Designates the 11 FSS/CC to monitor and advise on PO and unofficial activity/organization activities.

d. May waive the required liability insurance for PO's operating on the installation.

2. *11 FSS/CC:*

a. Monitors POs and UAs.

b. Advises PO officers.

c. Directs the Resource Manager (11 FSS/FSR) to keep a file on each activity.

d. Approve fundraiser requests, if the authority has been delegated. Otherwise, the 11 FSS/CC will coordinate on all fundraising requests.

e. Coordinates on all requests to establish a PO or UA.

3. *11 FSS/FSR:*

a. Reviews each activity (PO or UA) annually to make sure documents, records and procedures outlined in this Guidance Handbook and AFI 34-223 are in order.

b. Coordinates on all requests to establish a PO or UA. The purpose of this coordination is to maintain copies for maintenance of activity file. At a minimum, files must contain:

(1) Constitution and by-laws.

(2) Revalidation letters showing dates of review.

(3) Financial statements/reviews/audit reports.

(4) Minutes of meetings.

(5) Proof of required insurance or appropriate waiver.

(6) Current list of officers/points of contact.

(7) Tax-exempt approval from the IRS (if applicable).

(8) Other documents required by MAJCOM and/or Installation CC (if applicable).

(9) Approved waivers (if applicable).

c. Coordinates on all fundraising requests. The purpose of this coordination is to verify that activity files are current.

4. *11 WG/OSJA:*

Reviews all requests to establish a PO or UA. This review includes constitution and by-laws (as applicable) and provides appropriate recommendation to commander for approval or disapproval.

## Chapter 3 – Setting up a Private Organization or Unofficial Activity

1. *Overview.* In order to conduct fundraising activities on JBAB, an organization must be approved to operate on the installation. The 11 MSG/CC has been delegated the authority to approve these operations. If an organization expects to maintain over $1,000 in assets for 3 consecutive months, they must be established as a private organization. Those with less than $1,000 are established as UAs. The primary difference in establishing a UA vice a PO is that a PO must have a written constitution and/or by-laws.

2. *Process.* In order to become recognized as a PO or UA, organizations must submit an application. An application is a packet of specified documents and are as described below. Requestors are responsible for maintaining a copy of their entire submission. During the coordination process the packet will be routed through 11 FSS and 11 WG/OSJA, and then be submitted to the Installation Commander for final approval. The approved documents will be returned to 11 FSS/FSR for filing and the 11 FSS/FSR will provide a copy of the approval to the requestor.

3. *Documents.*

1. *POs.* If the organization is seeking PO status, a proposed constitution and/or by-laws must be submitted to the 11 FSS/FSR accompanied by a list of elected officers and a treasurer acceptance statement (Attachments 1, 4 and 5). If a PO does not carry the recommended liability insurance coverage, it will also submit a letter requesting a waiver of insurance requirements at this time (Attachment 6). The constitution must address the nature, function, classification, objectives, membership eligibility and sources of income of the PO. It must notify all members of their personal financial responsibility. It must describe the responsibilities of PO officers for asset accountability, liability, satisfaction and sound financial and operational management. Finally, it must provide specific guidance on how to dispose of residual assets remaining in the PO treasury after satisfaction of outstanding debts.
2. 10.1.2.3. Private Organizations must prominently display the following disclaimer on all print and electronic media mentioning the Private Organization’s name confirming that the Private Organization is not part of the Department of Defense: **“THIS IS A PRIVATE ORGANIZATION. IT IS NOT A PART OF THE DEPARTMENT OF DEFENSE OR ANY OF ITS COMPONENTS AND IT HAS NO GOVERNMENTAL STATUS.”**

c. *UAs.* If the organization is seeking UA status, a letter requesting that status must be submitted to the 11 FSS/FSR accompanied by a list of elected officers and treasurer acceptance statement (Attachments 2, 4 and 5). A waiver of insurance requirements should also be submitted at this time (Attachment 6).

## Chapter 4 – Operating a Private Organization or Unofficial Activity

1. The Installation Commander provides limited supervision over POs. The Commander’s control lies in the power to authorize and withdraw authorization for these organizations to operate on the installation.

2. POs and UAs may not discriminate in hiring practices or membership policies based on age, race, religion, color, national origin, ethnic group or gender.

3. POs and UAs may organize around a cultural or ethnic focus as long as they do not restrict their membership on the basis of culture or ethnicity.

4. POs and UAs may not haze or harass, either physically or mentally, as part of their initiation rites.

5. POs and UAs may operate as religiously oriented organizations provided:

a. Requests by similar organizations are also approved.

b. Authorization is for nonexclusive use of government facilities.

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

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

e. The installation staff chaplain coordinates on the request.

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

a. They must properly plan and adequately control the monetary aspects of their goals and objectives.

b. Individual members may not derive income from the activity except for specific performed services.

7. POs and UAs must ensure fiscal accountability is maintained and that appropriate internal controls are established to prevent misuse of funds. They must ensure their goals and objectives are properly identified and their assets are properly controlled and programmed. Tools used in this financial management process include budgets and financial statements.

a.  *Budgets.* Budgets are logical, detailed plans for operations that are expected to occur, expressed in dollars for the year (may be broken down by month and quarter). Budgets project activities (income and expense), as well as planned capital purchases. The purpose of a budget is to establish and define financial objectives and to outline plans to achieve those goals.

b. *Financial Statements.* Typically, two different reports are associated with the financial statements: a balance sheet and an income and expense statement (Attachment 3).

(1) *Balance Sheet.*  The balance sheet accounts for total assets (e.g. cash, accounts receivable, property, etc.) and is a statement of financial condition (assets versus liabilities and net worth) at a specific point in time.

(2) *Income and Expense Statement.*  This statement provides a financial breakdown of revenue (e.g. dues, sales, fees, etc.) and expenditures (e.g. donations, awards, luncheons, etc.) for the period, usually monthly. Use an income and expense statement, either on an accrual or cash basis, to show actual monetary events that have occurred during the period.

8. POs with a certain level of gross annual revenue must undergo audits and financial reviews:

a. Gross annual revenues of $250,000 or more; Certified Public Accountants (CPAs) performs annual audits. Update FSS/FSR bi-weekly until final reports are compiled and sent to the PO coordinator.

b. Gross annual revenues of $100,000, but less than $250,000; accountants (CPA not required) perform annual financial reviews. Update FSS/FSR bi-weekly until final reports are compiled and sent to the PO coordinator.

c. Gross annual revenues of less than $100,000, but more than $5,000; not required to conduct an independent audit or financial review however, such POs must provide an internally-produced financial statement to 11 FSS/FSR NLT 30 days following the end of the PO’s fiscal year
(Attachment 3).

9. POs and unofficial activities may not engage in fundraisers that duplicate or compete with Army and Air Force Exchange Service (AAFES) or FSS activities.

10. POs and unofficial activities may not engage in frequent or continuous resale activities or operate amusement or slot machines.

a. The prohibition against frequent or continuous resale activities does not preclude collective purchasing and sharing of purchased items by members of the POs or UAs so long as there is no actual resale. *“Resale”* is defined as the sales of items at a markup intended to generate cash in excess of that needed to pay expenses; cash generated from rounding up costs to a sales price to make a sales price more convenient to the customer does not constitute resale.

b. Occasional sales for fund raising purposes may be approved (e.g. bake sales or similar events). *“Occasional”* is defined as not more than two fund raising events per organization each calendar quarter. Base-wide special events such as open houses (air shows), September Celebration, Sweet Heart program, etc., will not be counted toward this limit.

11. POs and unofficial activities may not sell or serve alcoholic beverages.

12. POs and unofficial activities must have liability insurance unless the requirement is waived.

a. POs for which waivers have been granted may be required to obtain insurance for certain special events which involve greater risk of injury or damage.

b. Insurance waivers must be re-evaluated annually by the PO’s President and 11 FSS/FSR to ensure the organization’s activities have not increased in risk or liability.

13. POs should consider bonding for its treasurer.

14. POs and UAs must comply with all applicable federal, state, local and foreign laws governing similar civilian activities.

15. Activity officers and members must report any signs of fraud or other improprieties to the
11 FSS/CC.

16. PO and UA officer and member actions must not prejudice or discredit the US Government or conflict with Governmental activities.

17. POs and UAs may not solicit funds for their organization on base. Off base solicitations must comply with AFI 34-223 and base operating instructions.

18. POs and UAs are responsible for their tax-exempt status (if eligible and desired) and must work with appropriate federal or state taxing authorities.

19. Logistical support for POs and USs is limited as follows:

a. POs and UAs must furnish their own equipment, supplies, and other materials. Neither non-appropriated funds nor appropriated funds (APF) can be used to support such activities.

b. May be provided space for meetings of reasonable duration and frequency subject to the following:

(1) POs and UAs must reimburse for services (to include utilities) when facility is used other than on an occasional basis (unless authorized by an AF directive).

(2) POs and UAs must reimburse for any additional costs incurred by the AF resulting from such use, e.g., incremental increases in maintenance and janitorial expenses.

20. POs, UAs must provide the following information to 11 FSS/CC:

a. Any change of officers or points of contact as changes occur (Attachment 4).

b. Any change of treasurer as change occurs (Attachment 5).

21. POs and UAs must obtain written approval to conduct fundraising events on JBAB. *See* Chapter 5 for procedures.

22. Within 30 days after the end of their fiscal year, POs are required to file an annual report (see Chapter 6 for specific requirements).

## Chapter 5 – Conducting Fundraisers

1. *Background:* Prior to conducting a fundraising event on JBAB, written approval from 11 MSG/CC or 11 FSS/CC must be obtained. The maximum number of fundraising events a PO or UA can conduct in a quarter is two. If an activity is not current (approved to operate and, in the case of POs, annual review for last fiscal year filed), their fundraising requests will not be approved. Depending on the type of fundraiser and risks associated with it, insurance may be required (typically it is not); legal will make the final determination of this requirement. Members of the PO or must also be aware that they cannot work the fundraiser while on duty. Requests to conduct games of chance, lotteries or other gambling activities will not be approved.

2. *Process*: A form requesting approval of the fundraiser must be submitted sufficiently in advance of proposed event to allow for coordination. Typically, a 30-day lead time is sufficient for the process. The coordination required depends upon the type of fundraiser that is being proposed. Following are typical types of coordination:

a. *Management*: The location of the event must be approved in advance by the facility manager.

b. *Preventive Medicine or Public Health / Food Safety and Sanitation*: As the public health office, they must coordinate on any fundraisers involving food sales.

c. *11 FSS/FSR:* This office reviews and coordinates on all fundraising requests. The purpose of the review is to verify the requesting activity is current and eligible to conduct fundraising on the base.

d. *AAFES:* FSS will coordinate on any fundraisers potentially involving competitive sales and requests to conduct fundraising activities at their perspective locations.

e. *11 WG/JA:* The legal offices reserve the right to review all fundraising requests to ensure compliance with applicable regulations.

f. *11 FSS/CC:* The approving official for fundraising requests. The FSS reserves the right to disapprove/decline any event it believes will compete with the installation’s NAF revenue-generating activities. *See* AFI 34-223, 10.8.

g. *Other:* There may be other coordination required depending upon the type of fundraiser being planned. Obtaining coordination from Safety, Security Forces, etc. will be the responsibility of the requesting organization. It is the responsibility of the 11 FSS/FSR to coordinate with JA, FSS/CC and MSG/CC (if required).

## Chapter 6 – Annual Review Requirements

1. *Background*: Annually, each PO must provide a report to the base PO coordinator. The purpose of this report is to ensure that the activity has implemented guidelines to safeguard and account for funds, as well as to update records with current officers, constitution, etc. This report is due within 30 days after the end of the fiscal year. Each activity determines when their fiscal year will conclude. Typically, it is either 30 September or 31 December, but can be any month.

2. *Process.* All documents are to be submitted to the PO coordinator (11 FSS/FSR) to coordinate for approval.

3. *Documents.* The following documents must be submitted (templates included in attachments section):

a. Balance sheet for the end of the fiscal year

b. Income and expense statement for the fiscal year

c. List of current elected officers

d. Copy of treasurer acceptance statement

e. Copy of current liability insurance certificate or waiver of insurance

f. Revised constitution and by-laws (update required every two years)

4. If the above annual review requirements are not submitted, the activity will not be considered current and as such will not be authorized to conduct fundraising events on JBAB. Continued delinquency will result in the following:

a. Organization fundraising suspension for 1 calendar quarter following the infraction.

b. Organization fundraising suspension for 2 calendar quarters following the infraction.

c. Organization suspension for 1 year following the infraction. This will include all privileges to include, but not limited to, use of base email, office space for meetings, fundraising, participation in installation wide events, etc.

## Chapter 7 – Dissolving a Private Organization

1. When an activity decides to disband or shut down, it must:

a. Use its funds to satisfy any outstanding debts, liabilities or obligations. Any unpaid obligations remain the responsibility of the PO or UA members.

b. Dispose of the residual balance as decided by the membership.

c. Activity officers must notify 11 MSG/CC or if the authority has been delegated, the FSS/CC of their intent, in writing, to dissolve the activity and must prepare a time-phased action plan to do so (Attachment 7).

## Chapter 8 – Frequently Asked Questions

*Q: What is / constitutes a fundraiser?*

A: A fundraising event is a function where an organization performs a service or provides goods in order to make a profit. This can last a single day (e.g. bake sale) or could last several days (e.g. silent auction). Each event will be reviewed and considered on a case-by-case basis.

*Q: Where can we hold our fundraiser?*

A: Any space that your command determines to be “away from the workplace” is usually

fair play (for example, base quarters, chapels, Commissary, entrances, lobbies or concourses of buildings, schools, MWR/FSS facilities, the Exchange system). Fundraising in the workplace (for example, flight lines, hangars, labs, offices) is authorized only during the Air Force Assistance Fund, Army Emergency Relief, Combined Federal and Navy-Marine Corps Relief Society campaigns. Please contact your area facility manager for more details.

*Q: Our Commander is requesting our organization to hold a fundraising event in support of the CFC/AFAF/AER/Navy-Corp Relief campaign. How does this affect our organization’s quarterly quota?*

A: It doesn’t. Events in support of these campaigns, while still requiring the typical coordination process, do not count against your organization’s quota.

*Q: Can our organization hold a raffle?*

A: Short answer is; maybe. Long answer is; in accordance with AFI 34-223, some POs are allowed to hold raffles, however, it also states that organizations must comply with applicable state law. In the District of Washington raffles are considered gambling. Raffles may be limited to select non-profit organizations and may require special licensing. Gambling activities are administered by a Lottery and Charitable Games Control Board.

*Q: Are door prizes considered raffles?*

A: No, door prizes are allowed. As each individual entering the room has an equal chance of winning there is no gambling aspect. However, you may NOT sell additional chances to individuals on top of any original entrance fees.

*Q: We are having a unit picnic this month. Can our organization sell alcohol at the function as a fundraising event?*

A: No. A PO may not sell or serve an alcoholic beverage under any circumstance.

*Q: What are some of the dos and don’ts as we plan and conduct our fundraising events?*

A: While the types of event, time of year, and many other factors have an effect on this response, some baseline things to remember are:

* Know the regulations before using government email;
* Do not use government time, resources or titles in association with your event;
* Do not solicit on the installation;
* If you wish to solicit off-base, please consult with the 11 FSS/FSR or 11 WG/JA before sending any information or requests to local business
* Never promise an outside entity to advertise their business in any form of printed media during your event in order to obtain donations. This is considered sponsorship and is strictly prohibited by private organizations.
* Events selling military “dress down” days and auctioning parking spaces are PROHIBITED!

*Q: We have a unit snack bar. Is this legal?*

A: Unit snack bars must be unmanned, for donations only and authorized by your CC to use any significant office space. Recommended “donation” prices may be posted, however the mark-up to these items must be MINIMAL (pennies on the dollar). Snack bars are to be in place only as a convenience to the individuals in your area. All continuous resale activities are exclusively owned by FSS and AAFES. POs are strictly prohibited from any type of competition with these activities.

*Q: Our unit would like to put a collection box in our foyer to give toys for the Marines’ “Toys for Tots” program. Are we required to submit a fun raising request form for this function?*

A: No. Per the Air Force General Council, collection boxes are not considered to be fundraising events and may be approved directly by the installation commander. Please note that this only includes items with monetary value. Actual cash/check/gift cards may NOT be solicited or accepted in association with these events.

## Attachments

1. Constitution & By-laws Sample

2. Request for Unofficial Activity Status

3. Request for Permission to Operate

4. Balance Sheet, Income and Expense Statements

5. Elected Officers Points of Contact

6. Treasurer Acceptance Statement

7. Request for Waiver of Insurance Coverage Requirement

8. Dissolution Statement

1. *See* Delegation of Specific Installation Authorities Memorandum dated 30 October 2020. [↑](#footnote-ref-1)