

## Chapter 12

### SUPPORT FOR SPECIAL MORALE AND WELFARE PURPOSES

#### 12.1. Special Morale and Welfare Expenditures.

12.1.1. Special Morale and Welfare expenditures are nonappropriated fund expenditures considered necessary to contribute to the overall morale and welfare of the military community. Special Morale and Welfare expenditures must:

12.1.1.1. Be conservative.

12.1.1.2. Be in the best interests of the Air Force.

12.1.1.3. Benefit the military community.

12.1.1.4. Not be limited to specific grades or levels of personnel.

12.1.2. Special Morale and Welfare authority cannot be used in lieu of appropriated funds for purposes authorized in Air Force Instruction 65-603, *Official Representation Funds* or Air Force Instruction 65-601, Vol 1, *Budget Guidance and Procedures*.

12.1.3. **Resource Manager Office and Nonappropriated Fund Financial Analyst** representatives conduct periodic evaluations of the Special Morale and Welfare program. The evaluation may be done by telephonic or electronic means. Representatives provide a written report of findings to appropriate personnel for resolution.

#### 12.2. Commander Responsibilities.

12.2.1. Commanders may approve expenditures of nonappropriated funds from the applicable Morale, Welfare, and Recreation Fund for Special Morale and Welfare purposes according to this chapter.

12.2.1.1. Obtain advance approval prior to all Special Morale and Welfare expenditures. Installation commanders establish procedures to ensure all purchases to be funded under Special Morale and Welfare authority are approved in advance.

12.2.1.2. Installation commanders may delegate expenditure approval authority, in writing, up to specific amounts for recurring functions such as memorial observances, recognition programs, changes of command, and occasions that orient members of the command. Delegation of approval authority must be made a matter of record in Nonappropriated Fund Council minutes and remains in effect until it is rescinded or a change of commander or other delegating authority has occurred. Retain a copy of the delegation letter in the life of fund file. **(T-1)**

12.2.1.3. Installation commanders may delegate approval authority to the Vice Commander or Director of Staff-level for non-recurring functions. They may also delegate non-recurring approval authority to a supported tenant commander, as applicable. **(T-1)**

12.2.1.4. Installation commanders submit a quarterly report of all Special Morale and Welfare expenditures to Air Force Services Activity Installation Support Directorate for consolidation and review. Installation commanders may delegate approval authority to the Vice Commander or Director of Staff-level. Itemize each expenditure, the dollar amount, purpose, items or services purchased, and recipients. **Attachment 6** includes the format, with minimum required information, to be used in completing the quarterly report. Reports are due by the 20th of the second month following the end of each quarter. The commander may submit by electronic or non-electronic means. **(T-1)**

12.2.1.5. Persons who are delegated authority to approve purchases must comply with Air Force Manual 64-302, *Nonappropriated Fund (NAF) Contracting Procedures*, where nonappropriated fund purchases are involved.

12.2.1.6. Commanders may establish a Morale, Welfare, and Recreation petty cash fund or nonappropriated fund purchase card account to expedite small item purchasing. Organizations are highly encouraged to establish and use a nonappropriated fund purchase card wherever possible to minimize or eliminate use of petty cash funds.

12.2.2. Host commanders have an obligation to fulfill the Special Morale and Welfare requirements for their unit commanders, tenant unit commanders on their bases, and off-base unit commanders for which they have Morale, Welfare, and Recreation Fund support responsibility. This obligation includes Sister Service units. **Attachment 7** includes the minimum information required on Special Morale and Welfare requests. This information may be provided by electronic or non-electronic means.

12.2.3. The commander decides what Special Morale and Welfare needs will be met and closely scrutinizes each expenditure to avoid criticism or embarrassment to the Air Force. Initially forward all requests for Special Morale and Welfare expenditures to the installation financial manager for funding from appropriated funds (Air Force Instruction 65-601, Volume 1, and Air Force Instruction 65-603).

12.2.3.1. If financial manager certifies Operation and Maintenance appropriated funds or official representation funds are not authorized, nonappropriated funds may be used for authorized Special Morale and Welfare expenditures.

12.2.3.2. If appropriated funds are authorized but not available, nonappropriated funds cannot be used.

12.2.3.3. Financial manager certification of certain types of recurring expenditures, not authorized appropriated funds, may be performed at the beginning of each fiscal year, made a matter of record in the nonappropriated funds council minutes, and retained in the life of fund file. This certification eliminates the necessity of coordinating each recurring expenditure not authorized appropriated funds through financial manager during the fiscal year.

12.2.4. Commanders must exercise restraint in using Special Morale and Welfare expenditure authority for purposes described in this chapter, so that basic Morale, Welfare, and Recreation programs and services are not deprived of the nonappropriated fund resources required to ensure their effectiveness. The authorization for Special Morale and Welfare expenditures does not constitute a commander's fund in any sense. Make no assumptions that funds are automatically available.

### 12.3. Morale, Welfare, and Recreation Fund Custodian Responsibilities.

#### 12.3.1. The custodian:

12.3.1.1. Briefs incoming commanders who exercise Special Morale and Welfare expenditure authority on the provisions in this chapter and current installation Special Morale and Welfare policy.

12.3.1.2. Prepares quarterly reports and accounts for all Special Morale and Welfare expenditures using guidance provided in this chapter and [Attachment 6](#).

12.3.1.3. Ensures quarterly reports are reconciled to supporting expenditure documents and to quarterly balances in the financial statements. The Major Command or installation financial manager and Judge Advocate, as appropriate, reviews/coordinates on all quarterly reports.

12.3.1.4. Conducts internal control reviews on issued nonappropriated fund petty cash funds and nonappropriated fund purchase cards.

**12.4. Permissible Expenditures.** Commanders and others delegated approval authority will not expend funds for Special Morale and Welfare purposes if the expenditures are authorized elsewhere in this instruction or authorized from appropriated funds (Air Force Instruction 65-601, Volume 1, or Air Force Instruction 65-603). This paragraph provides definitions of terms and lists examples of permissible Special Morale and Welfare expenditures as authorized in [Table 12.1 \(T-0\)](#)

#### 12.4.1. Definitions for purposes of this chapter.

12.4.1.1. Light refreshments: only nonalcoholic beverages (i.e. coffee, tea, milk, juice, punch, soft drinks, and water), yogurts, pastries, bagels, fruit/vegetable/cheese and cracker trays, pretzels, cookies, chips, dips, cake, and muffins are authorized. The cost of light refreshments may include the cost of disposable serving ware (e.g., paper napkins, disposable forks, cups, and plates) and any club or other Morale, Welfare, and Recreation activity service charge, delivery fee, or set-up fee. The purchase of china, silverware/flatware, tablecloths, plates, glasses, punch bowls and cups, chafing dishes, serving trays, coffee urns, etc., from Special Morale and Welfare is prohibited.

12.4.1.2. Immediate Family: includes spouse and children, if the member is married. If not married, Special Morale and Welfare authority may be used for the member's mother, father, children, brother(s)/sister(s).

12.4.1.3. Commander's Call: may include a civilian director (commander-equivalent) for a wing, center, group, or squadron. This authorization does not extend to directors within a commander's staff who wish to hold calls for their subsection of the overall command.

#### 12.4.2. Individual recognition programs for military and civilian employees.

12.4.2.1. Meals or light refreshments as authorized in [Table 12.1](#) Meals are not authorized for award winners in per diem status.

12.4.3. Memorial observances (local) that uphold traditions of the Service and the United States are authorized light refreshments as authorized in [Table 12.1](#).

12.4.4. For memorial observances for deceased members and/or their immediate families, authorized expenditures include flowers or a wreath.

12.4.5. Installation base-wide newcomers' orientation for military or civilian personnel. Spouses may be invited to attend. Special Morale and Welfare may also be authorized for orientations for students at Air Force schools (e.g., Air Command and Staff College, Air War College, etc.) where the duration is such that military attendees will be on permanent change of station orders.

12.4.6. Commander's call may be combined for all grades or levels of personnel or separated into smaller groups; however, if separated, total support should be proportional to the number of people involved, not their grades.

12.4.7. Change or assumption of command ceremony receptions, at or above the squadron level, on a modest basis for the incoming commander or civilian equivalent. Use of nonappropriated funds for farewell receptions for changes of command is not authorized.

**12.5. Prohibited Expenditures.** The following list is not all-inclusive. Commanders and those delegated approval authority will not make Special Morale and Welfare expenditures for: **(T-0)**

12.5.1. Purposes that do not directly relate to the overall morale and welfare of the command and the interests of the Air Force.

12.5.2. Purposes for which the use of Morale, Welfare, and Recreation funds is expressly prohibited in this instruction; that would conflict with Department of Defense 5500.07-R; or that would circumvent administrative or legal restrictions on the use of nonappropriated funds.

12.5.3. Contributions or support for private individuals, installation-recognized Private Organizations and non-Federal entities, other Nonappropriated Fund Instrumentalities, or non-Air Force government organizations, except as permitted in paragraphs [12.2.3](#) and [12.4.4](#)

12.5.4. Contributions to national or local charities, foundations, or similar organizations.

12.5.5. Financing Department of Defense or Air Force directed programs, operations, or services having no connection with Morale, Welfare, and Recreation. Examples are:

12.5.5.1. Purchasing, maintaining, and repairing non-Morale, Welfare, and Recreation furnishings, equipment, and supplies.

12.5.5.2. Altering, modifying, maintaining, or repairing facilities.

12.5.5.3. Paying salaries or other compensation to people not working in Morale, Welfare, and Recreation.

12.5.5.4. Lodging programs.

12.5.6. Gifts or amenities except those listed in paragraph [12.4](#)

12.5.7. Free alcoholic beverages even if associated with a unit event or ceremony or open bar for any function.

12.5.8. Protocol or command representation functions that are authorized appropriated fund support, meals (except as authorized in this instruction), or entertainment.

12.5.9. Not available as a category of expenditure for isolated unit funds.

**12.6. Propriety of Expenditures.** Commanders judge the propriety of requested expenditures based upon this chapter.

12.6.1. **Table 12.1** provides examples of situations and occasions where Special Morale and Welfare funds may or may not be used.

12.6.2. If commanders are unsure whether a proposed expenditure is proper, they should request assistance from Air Force Services Activity Installation Support Directorate Resources Branch, Resources and Requirements Division who may consult or elevate issues to the Air Force Services Activity Financial Management and Comptroller Directorate, as appropriate.

Table 12.1. Special Morale and Welfare and Related Expenditures.

R U L E	A	B
	If support is for:	Nonappropriated Special Morale and Welfare expenditures are:
<b>INDIVIDUAL RECOGNITION PROGRAMS</b>		
<b>Competitive Award Programs:</b>		
1	excellence in a particular function, school incentive program associated with the school's mission, mission accomplishment, special incentive program, or compliance motivation as authorized in a 36-series Air Force Instruction	not authorized
2	competitive base-wide annual and quarterly awards programs (such as airman, noncommissioned officer, officer, and civilian of the quarter/year) officially announced in advance, open to the base at large, and authorized in a 36-series Air Force Instruction	authorized (see below for specific expenditures)
3	trophies, plaques, and other awards (excluding athletic events associated with base Morale, Welfare, and Recreation sports programs)	not authorized
4	gift certificates, gift cards, coupons, savings bonds, and nominal cash awards	authorized (Not To Exceed \$50.00)
5	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages) at awards ceremonies	authorized (\$3.00 per person, Not To Exceed \$300.00 (whichever is less))
6	meals for award winners and spouses (parent, child, sister, or brother in lieu of spouse)	authorized (if not in temporary duty status)
7	travel and per diem for attendance at awards ceremonies	not authorized
8	alcoholic beverages or any other expense	not authorized
9	intramural sports and athletic competitions	not authorized
Installation level Key Spouse Program Volunteer Recognition (once per year):		
10	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$400.00 (whichever is less))
11	alcoholic beverages or any other expense	not authorized
<b>Promotion Ceremonies:</b>		
12	insignia, stripes, and similar items	not authorized
13	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$50.00 per individual ceremony (whichever is less) or \$3.00 per person, Not To Exceed \$300.00 for group ceremonies (whichever is less) (T-3)
14	alcoholic beverages or any other expense	not authorized
<b>Retirement:</b>		
15	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$50.00 per individual ceremony (whichever is less))
16	corsage/boutonniere for spouse of retiree	authorized (Not To Exceed \$20.00)
17	mementos	not authorized
18	alcoholic beverages or any other expense	not authorized
<b>MEMORIAL OBSERVANCES</b>		
<i>for local observances that uphold traditions of the Service and the United States (such as Veteran's Day, Memorial Day, Deactivation Ceremony):</i>		
19	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized, Not To Exceed \$100.00
20	any other expense	not authorized
<i>upon the death of a military member or civilian employee of that organization; member of their immediate family; or distinguished leader of the local community with strong ties to the base:</i>		
21	flowers or wreaths	authorized (Not To Exceed \$100.00)
22	any other expense	not authorized

<b>WELCOMING AND ORIENTING</b>		
<i>for base wide newcomers' welcome/orientation:</i>		
<b>23</b>	light refreshments, as defined in para <b>12.4.1.1.</b> (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$200 per event)
<b>24</b>	alcoholic beverages or any other expense	not authorized
<i>for Commander's Call:</i>		
<b>25</b>	light refreshments, as defined in para <b>12.4.1.1.</b>	authorized (\$3.00 per person, Not To Exceed \$200.00 for squadron, \$300.00 for group or \$500.00 for wing)
<b>26</b>	alcoholic beverages or any other expense	not authorized
<i>for annual recognition/informational event with members of the Wounded Warrior program (Air ForceW2) their family members, care givers and non-medical attendants:</i>		
<b>27</b>	light refreshments, as defined in para <b>12.4.1.1.</b>	authorized (\$3.00 per person, Not To Exceed \$400.00 (whichever is less))
<b>28</b>	alcoholic beverages or any other expense	not authorized
<b>CHANGE OR ASSUMPTION OF COMMAND CEREMONIES</b>		
<i>authorized for ceremonies at or above squadron level for change of military commander or civilian equivalent:</i>		
<b>29</b>	for pro rata share of costs for authorized non-Department of Defense attendees, excluding alcoholic beverages	not authorized
<b>30</b>	light refreshments, as defined in para <b>12.4.1.1.</b> (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed the following amounts (whichever is less): \$2,000 for Major Command/ Nonappropriated Fund/Combatant Cost Center, or equivalent; \$1,000 for Field Operating Agency/Center/Wing, or equivalent; \$500 for Group, or equivalent; \$250 for Squadron, or equivalent)
<b>31</b>	alcoholic beverages or any other expense	not authorized