



# **35<sup>th</sup> FSS Private Organizations Guide**

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# PRIVATE ORGANIZATIONS GUIDE

## 1. INTRODUCTION:

Private Organizations (POs) are self-sustaining special interest groups set up by people acting exclusively outside the scope of any official capacity they may have in the federal government. POs are not federal entities and are not to be treated as such. They are not Nonappropriated Fund Instrumentalities (NAFI), nor are they entitled to the sovereign immunities and privileges enjoyed by NAFIs or the Air Force. PO assets are monies and property owned by a PO or in its custody. These are obtained from donations, dues, payments, or other receipts and may not be misused or combined with NAFI assets.

A PO should make a positive contribution in terms of morale or service to installation personnel. These groups may operate on Misawa AB with permission of the Mission Support Group Commander. Oversight authority has been delegated to this squadron by the 35th Fighter Wing Commander.

1.1. To conduct any type of fundraiser on Misawa AB, the organization conducting the fundraiser must request approval before conducting the fund raising activity (in order) through 35 FSS/ POM (Private Org Monitor), 35 FSS/FSR, 35 FW/JA, and 35 FSS/CC.

1.2. A PO is set up and operated to fulfill the needs and interests of the Department Of Defense (DoD) families. Its members must be affiliated with DoD (active duty, retirees or civilians) (*Ref DoDI 1000.15*).

1.2.1. POs are classified in three ways. Type 1 POs are federally sanctioned organizations recognized by the Department of Defense or Headquarters, (Boy/Cub/Girl Scouts, American Red Cross). Type 2 POs are local chapters, lodges (fraternal or benevolent), veterans groups and posts, or other organizations affiliated with national or state chartered organizations. Type 3 POs are locally established special interest organizations set up to fulfill the needs and interests of DoD families. There are two types of Type 3 POs which may be established by application to the Private Organization Monitor they are Official and Unofficial activities/organizations.

1.3. Air Force Instruction 34-223 provides basic guidance for the private organization program. The Private Organization Monitor (**POM**) has the responsibility to administer the PO program. Any questions regarding POs should be directed to the 35 FSS/POM. A file on each PO will be maintained by 35 FSS Resource Management Flight. This file will include, but is not limited to:

1.3.1. Organization documents such as POs request for authorization to operate on the installation and an approved constitution and bylaws authorizing establishment of the PO.

1.3.2. Revalidation letters showing dates of POM annual reviews.

1.3.3. Documentation regarding use of an installation facility or land area.

1.3.4. Copy of audit reports.

1.3.5. Resale activity authorizations.

- 1.3.6. IRS tax identification number (TIN), employer identification number (EIN) and tax exemption documentation, if applicable.
- 1.3.7. Proof of insurance or approved insurance waiver.
- 1.3.8. Any approvals for seal or insignia use.
- 1.3.9. Current list of officers or points of contact (including mailing address, phone numbers, and email address)

## **2. ESTABLISHMENT:**

2.1. **Official POs.** Official POs are organizations whose current assets (which include cash, inventories, receivables, and investments) exceed a monthly average of \$1000 over a 3 month period.

To become an official PO, you must submit a constitution, by-laws, officer roster, and insurance waiver to the POM for review. After this review the package will be forwarded to the 35 FW/JA for legal review before being submitting to the 35 MSG/CC for final approval. Please make sure to follow the specific guidance provided in this guide for a smooth approval process. The approval documents must contain the following in the constitution and by-laws:

- 2.1.1. The nature, function, and objective of the organization.
- 2.1.2. Membership eligibility criteria.
- 2.1.3. Source of income. Notification to all members of their personal financial responsibility and legal liability.
- 2.1.4. Responsibilities of officers for asset accountability, procuring adequate liability insurance coverage, and assuring responsible financial and operational management.
- 2.1.5. Specific guidance on disposing of residual assets.
- 2.1.6. Constitution and bylaws must be updated every two (2) years or when there is a change in the purpose of the PO or a change in officers.
  - 2.1.6.1. Official POs must submit any changes to the constitution and bylaws as they occur to the POM. These changes should be submitted on a separate sheet of paper and attached to a copy of the old constitution and bylaws.
- 2.1.7. Official POs are responsible for submitting quarterly and annual financial statements on the 15th after the quarter has ended to the POM.

2.2 **Unofficial Organization/ Activities.** Unofficial Organizations are organizations that have current monthly assets (which include cash inventory, receivables, and investments) that do not exceed a monthly average of \$1000.000 over a three month period. Unofficial private organizations are not obligated to submit quarterly or annual financials. However, unofficial organizations must submit a fundraising financial after major festivals (American Day, Air Show

and Tanabata) to the POM. If at any time an unofficial PO exceeds the monthly average of \$1000.00 they must become an official PO, discontinue on-base operations, or reduce its current assets.

2.3 **Opening a bank account.** Each official private organization on Misawa AB should open a bank account with either Community Bank or USA Federal Credit if you intend to raise funds for your organization that will exceed \$1000.00.

### **APPLY BY EIN ONLINE**

The [Internet EIN](#) (I-EIN) application is another avenue for customers to apply for and obtain an employer identification number. Once all the necessary fields are completed on the online form, preliminary validation is performed. A temporary EIN will be issued after the successful submission of the completed Form SS-4 online. If you wish to download the form, please type the address: [www.irs.gov](http://www.irs.gov) (type **EIN** in the search space). Download the forms and instruction sheet and e-mail the form to the IRS.

### **3. OPERATING POLICY:**

3.1. All POs which operate on Misawa AB must operate in compliance with AFI 34-223, 35 FW Supplement 1 to 34-223 and Misawa AB Private Organizations Guide.

3.2. All official POs must submit a bank statement by 31 January to participate in fundraising activities for that year.

3.3. POs may use the name or abbreviation of a DoD component, organizational unit, or installation in its name provided it takes steps to ensure its status as a PO is apparent and unambiguous, and to prevent the appearance of official sanction or support by the Air Force.

3.3.1. The PO must have prior approval to use the name or abbreviation. (AFI 34-223 para. 10.1.1 Appx 6)

3.3.2 Any use of the name or abbreviation of a DoD component, organizational unit, or installation must not mislead members of the public to assume a PO is an organizational unit of DoD. POs must prominently display the following disclaimer on all print and electronic media mentioning the PO's name confirming that the PO is not a part of DoD: *"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."* This disclaimer must also be provided in verbal communication and public announcements when the PO's name is mentioned. (AFI34-223, para.10.1.4).

3.4. POs may not discriminate in hiring practices or membership policies based on the basis of age, race, religion, color, national origin, ethnic group, or gender.

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

3.5. POs may not utilize government vehicles, aircraft, equipment, supplies, communications equipment or facilities as part of fundraising efforts.

3.5.1. The Air Force may provide a PO space in a facility for occasional use if this use does not add to the government's maintenance or janitorial expenses. Otherwise, private organizations must be self-sustaining and furnish their own equipment, supplies and materials.

3.6. POs and unofficial activities are not authorized use of neither appropriated nor non-appropriated fund support nor may purchases be made to support them by using unit Government Purchase Cards.

3.7. POs with certain levels of gross annual revenue must undergo audits and financial reviews:

3.7.1. Certified Public Accountants (CPA) perform annual audits of POs with gross annual revenues of \$250,000 or more. Use of a Certified Government Financial Manager is permitted in overseas locations when unavailability of a CPA is documented through the Resource Management Flight Chief.

3.7.2 Accountants (CPA not required) perform annual financial reviews of POs with gross annual revenues of \$100,000 but less than \$250,000. POs pay accountants to conduct these reviews and provide written verification of the accounting data and other relevant information.

3.7.3 POs that have gross annual revenues of less than \$100,000 but more than \$5,000 normally are not required to conduct an independent audit or financial review. However, such POs must provide an annual financial statement to the FSR. All audits are paid for at the POs expense.

3.8. Air Force units or organizations may not assign PO duties to military or civilian employees, whether they are officially recognized Private Organizations set up under AFI 34-223 or unofficial activities with limited assets.

3.9. Hazing or harassment for initiation by POs is forbidden.

3.10. Religiously oriented POs may be authorized to operate on installations if requests by similar organizations are also approved and authorization is for non-exclusive use of government facilities.

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

3.10.2. Membership in a religiously oriented PO may not be restricted to members of the religion involved.

3.10.3. The installation staff chaplain coordinates on the request to establish a religiously oriented PO.

3.11. All POs (Official and Unofficial) must be self-sustaining, primarily through dues, contributions, service charges, fees, or special assessments of its members. There will be no direct financial assistance to a PO from the NAFI in the form of contributions, dividends, or donations of monies or other assets.

3.11.1. Income must not accrue to individual members from PO activities except through wages and salaries for PO employees or other payment for services rendered. ( i.e. audits)

3.12. POs must have liability insurance unless the 35 MSG/CC waives the requirement. Insurance should be required unless the activities of the PO are such that the risk of liability is negligible. PO members must be made aware that they are jointly and severally liable for the obligations of the PO, and their understanding of the liability must be documented. The absence of liability insurance places their personal assets immediately at risk in the event of PO liability.

The MSG/CC may waive the requirement for continuous liability coverage; however, the approval document must advise the PO that the commander may still require liability insurance for specific events that involve a greater risk of injury or damage (i.e. American Day and Air Show). (AFI 34-223, para 10.11)

3.12.1 Waiver requests must be forwarded through the POM before being reviewed and approved by 35 FW/JA and 35 MSG/CC offices.

3.13. POs will not engage in activities that duplicate or compete with the Army and Air Force Exchange Service (AAFES), any 35th Force Support Squadron activity, or Nonappropriated Fund Instrumentality (NAFI). (AFI 34-223, para 10.8)

3.13.1. The resale of goods purchased from the Base Exchange or Commissary to persons not otherwise entitled to use those facilities by POs is prohibited.

3.13.2. POs may not engage in frequent or continuous resale activities nor may they operate amusement or slot machines. The purpose of allowing fundraisers on Misawa AB is to allow POs the ability to raise money for special interests on a limited basis, not to provide them with an opportunity to enter into long-term business ventures.

3.13.3. POs engaging in events for fund-raising purposes, such as bake sales, dances, car washes, golf tournaments, and similar infrequent functions must forward requests for such events through the POM, for approval by 35 FSS/FSR, 35 FW/JA, and 35 FSS/CC.

3.13.4. POs may conduct occasional fundraisers to finance special interest projects. Occasional is defined as not more than two (2) fund-raising events per calendar quarter. The occasional sales limitation for fund raising does not apply to PO sales of Air Force Schools or unit souvenirs or memorabilia to members of the school or unit involved provided AAFES and Services resale activities elect not to provide this service and the PO chartering documentation authorizes resale under these circumstances (Ref AFI 34-223 p.10.9.1).

3.13.4.1 Members of a private organization may not conduct a fundraiser while in uniform.

3.13.5. Fundraising on Misawa AB is a privilege and not a right. All POs must comply with AFI 34-223, Private Organizations Program and AFI 34-223 FW Supl 1. Violation of either instruction may result in the disapproval of any fundraisers(s). In addition, the authorization to conduct future fundraisers may be withheld for a period of 90 days. After the 90 day period, the PO shall be required to submit a request of reinstatement of fundraising privileges to the FSS/CC.

3.14. Limited fundraisers will be approved for POs during the Combined Federal Campaign (CFC) by 35 FW/JA and 35 FSS/CC. Each request will be reviewed on a case by case basis. (Ref AFI 36-3101).

3.15. POs are not authorized to sell alcoholic beverages. The only entities on Misawa AB allowed to sell alcoholic beverages are 35 FSS and AAFES. Alcoholic beverages cannot be sold as a portion of another product (i.e. gift basket).

3.16. POs are responsible for ensuring the documentation in their file in the POMs office is current.

3.16.1. A copy of financial statements or treasurer reports must be forwarded (E-mail accepted) to the POM.

3.16.2. Official organizations must forward all changes in officers to the POM as they occur. All PO forms, constitution and bylaws must be signed by the incoming officers within 30 days of taking office.

3.17. POs may not conduct games of chance, lotteries, raffles, auctions or other gambling-type activities except as provided in AFI 34-223, 10.16. All requests to conduct raffles must be reviewed and approved by the 35 FW/JA and 35 FSS/CC.

3.17.1. Raffles may not be conducted by military members or civilian employees during their duty times. Military members may not conduct raffles while in uniform at any time. Air Force personnel may participate in PO fundraising raffles only in a purely personal, unofficial, volunteer capacity at authorized locations and in ways that do not imply official endorsement.

3.17.2. Unofficial activities/organizations may not conduct games of chance, lotteries, raffles, or other gambling-type activities under any circumstances (AFI 34-223 10.15).

3.17.3. POs and Unofficial activities/organizations may conduct auctions. Auctions must be reviewed and approved by the 35 FW/JA and 35 FSS/CC.

3.18. POs are not authorized to use government tax exemption numbers, government supplies, letterhead, reproduction, or on-duty government accounting personnel for financial reviews.

3.19. An annual review is required to be accomplished NLT 31 Jan of every year by the FSR. At that time all requirements for updating must be accomplished.

3.20. **Withdrawal of authority to operate.** A PO may operate on Misawa AB as long as it continues to make a positive contribution to the base in terms of morale and service. The installation commander in care of the MSG/CC may withdraw the club's authorization to operate when the club no longer is making a positive contribution, fails to comply with applicable laws, instructions or policies or for any just cause.

3.21. **Solicitation of Funds.** POs may not solicit funds, gifts, or donations for their organization on base.

3.21.1. POs may accept gifts or donations on base. These consist of contributions which are supplied to the PO without active solicitation on the part of the PO or its members.

3.21.2. Off-base solicitations must clearly indicate that they are for a PO and not Misawa AB or any official part of the Air Force (or any other DoD branch of service).

3.21.3. Recognition can only be made to members of the PO or those present at an event benefiting from the donation/gift.

3.21.4. POs are prohibited from actions, which make it appear that the installation is endorsing or giving special treatment to the donors/givers involved.

3.22. Force Support Squadron may not co-sponsor events with POs for the purpose of obtaining commercial sponsorship, contributions, donations, gifts, advertising or generating revenue for them.

3.22.1. POs are not authorized use of the DoD MWR Commercial Sponsorship policy.

#### **4. DISSOLUTION:**

4.1. In case of dissolution, funds in the POs' treasury will be used to satisfy any outstanding debts, liabilities, or obligations. The balance of assets will be disposed of as determined by the membership. This must be included in the constitution or bylaws.

4.2. PO officers must notify the PO Monitor of their intent to dissolve the PO and prepare a time-phased action plan to do so.

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