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# Private Organizations

## 29 Nov 22

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# Roles & Responsibilities



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## ■ FSS:

- PO Coordinator routes request and acts a liaison.
- Administers PO program, coordinating requests for approval.
- Conducts annual reviews of POs/UAs.
- FSS/CC/CD approval authority for fundraisers.

## ■ Legal:

- Advise FSS on interpretation of applicable rules
- Advise on applications to establish PO, operation issues, financial reports, annual review application, etc.

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# GUIDANCE



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- **AFI 34-223, *Private Organization Programs***
  - **AFI 36-3101, *Fundraising within the Air Force***
  - **DoD 5500.07-R, *Joint Ethics Regulation***
  - **Where to get forms and documents for PO related requests:**

**<https://www.375fss.com/PrivateOrgs.php>**

## **PO Monitor/Flight Info**

375 FSS/FSR  
Office DSN: 576-3233  
375fss.fsr@us.af.mil

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# What is a Private Organization?



- **Definition:** A Private Organization (PO) is a self-sustaining special interest group (i.e. Booster Club), set up by people acting exclusively outside the scope of any official capacity, and operating on the installation with written approval of the Installation Commander.\* *(delegated to 375 MSG/CC for approval, and 375 FSS/CC or CD for fundraising & soliciting donations off base)*

- **Private Organization:**

- ◆ Assets are \$1K or more, requires 6 annual documents for review and the most current, signed, Constitution (7 docs in total package).
- ◆ Non-federal entities.

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# What is an Unofficial Activity?



■ **Definition:** An Unofficial Activity small unit affiliated clubs (e.g. coffee funds, water funds, snack bars, social funds, holiday committees, etc.)

• **Unofficial Activity (UA):**

Think “Unit Affiliated”

- ◆ Assets are less than \$1K\*
- ◆ “For the unit, by the unit” type of activities
- ◆ If assets are above \$1K for any 3-consecutive month period\*, UA must become PO, discontinue on-base operations, or reduce current assets to below that threshold. (*on-hand inventory not included in the asset calculations*)
- ◆ Conducts “For Us, By Us” fundraising. (see AFI 36-3101, para 5.3.4)
- ◆ Requires 4 annual documents:
  - 1-UA Status Request
  - Officer Listing
  - Insurance Waiver Request (or proof of insurance)
  - Budget

\*UAs can temporarily exceed the \$1K threshold, NTE 6-months, if more than 75% of assets will be used in upcoming large unit event (e.g. holiday party, ball, etc.) and may be increased by \$100 for every 50 unit member over 300 (max \$5K month average).

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# How to Establish a Private Organization?



- **Register to Operate on base:** Installation Commander approves (delegated to 375 MSG/CC)
- **Submit Constitution, Bylaws to PO Monitor:**
  - Must address nature, function, objectives, membership eligibility, sources of income
  - Seven documents are required. See [375fss.com](http://375fss.com)
  - Notify members of personal liability for obligations of PO
  - Describe duties of officers
  - Describe how to dispose of assets in case of dissolution
  - JA legal review required - Initial Reviews/Establishment & every 2 years (PO must review and update Constitution at least every 2 years in addition to submitting yearly for complete annual review).

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# Naming your PO/UA



- May only use the name or abbreviation of the DoD, AF unit, or installation with written approval of installation commander. This approval must be provided with initial review paperwork to the PO coordinator. If not provided:
  - Incorrect: "Randolph AFB Wives Club; 111 SPTG Booster Club; 222 FTW Top 3
  - Correct: Randolph Wives Club; Scott Booster Club; Fairchild Top 3
- Can't use seal, logos, or insignia of DoD, component, instrumentality on letterhead, correspondence, etc.
- Must have **"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"** on all documentation and correspondence mentioning PO/UA name.

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# Membership



- **May not discriminate on basis of religion, race, ethnicity, color, age, disability, gender, sexual orientation, or national origin**
  - **BUT: May have religious/cultural focus**
  
- **Religiously oriented POs may NOT:**
  - **Have exclusive use of gov't facilities;**
  - **Leave signs/insignia except during PO's activities**
  - **Restrict membership to the religion involved**

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# Finances



- **Must be self-sustaining**
  - Primarily through “dues, contribution, service fees”
- **No financial assistance from DoD or NAFI**
- **No income to accrue to members except through wages for PO employees**
- **Income derived must be primarily for offsetting expenses of operation, which may include awards and charitable contributions**
- **CANNOT** engage in any conduct that has the effect of advertising for, making referrals to, or encouraging use of any commercial business concerns. *(sponsor-type rewards)*

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# Fundraising



- **Authorized: occasional sales for fundraising purpose as not more than 3 per Quarter of the Fiscal Year**
- **POs MUST obtain approval for on and off base fundraisers via fundraiser request form**
  - Must not engage in activities that duplicate or compete with AAFES, MWR, or any NAFI (except Thrift Store)
  - Must not operate amusement machines, or games of chance (lottery, bingo, raffles\*)
  - No selling or serving of alcohol (see AFI 10.14 for more info)
  - Must be outside of the workplace (*can be in common areas*)
  - Uniform? Duty Time? Not allowed. →(*avoid wearing morale shirts too*)
  - Cannot conduct “For Us, By Us” fundraisers!
- **UAs cannot fundraise off base or outside of unit. They typically fundraise within the unit and use funds for the unit.** (*See AFI 36-3101, Ch.5, para 5.3.4 for more info on “For Us, By Us”.*)
  - Still only allowed 3 per quarter limit.
  - Must coordinate/notify 375 FSS of fundraiser via fundraiser request form, but Unit CC approves fundraisers since they stay within the unit.

*\* raffles – see raffle slide for more info!*

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# Fundraising Request



- **When requesting to hold a fundraiser, you will need to complete the following forms (located at [375fss.com](http://375fss.com) under Services.):**
  - Fundraiser Request Form – please read page 2 for required signatures
  - Fundraising Checklist
- **You will also need to attach your FLYER(s) when submitting your requests. The disclaimer on the flyer.**
- **IF you are doing a fundraiser that includes the handling of food (precooked or homemade) you will need:**
  - **Signed Food handlers Form**
    - ♦ “You will need a signed Food Handlers Form from Public Health. If this is not signed prior to submitting your request will not be routed.
- **The completed forms should include: The Tab Number, the name of your organization, and the document name. (Please use your full private org name on all correspondence)**
  - **Example:**  
TAB 1 – Generic Organization Fundraiser Request

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# Filling Out Your Request Forms



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**{Keep in mind that your ORG/UA must have an up-to-date Annual Review }**

**■ The following are reminders when filling out your Request Forms:**

- **POC Name – Please ensure that your rank is removed, and it is only your name**
- **Method of Advertising/Promotion – You are not able to use military emails as a form of advertising**
- **Location of the Event – If your event is taking place in a military facility, you will need approval from the facility's custodian prior to submitting your paperwork**

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# Raffles

*(AFI 34-223, para 10.16) (POs only)*



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## Private Orgs:

- Counts against your 3/quarter limit!
- Must be held to support the PO's routine operations or for the direct benefit of DoD personnel and/or family members.
  - Example: scholarships for DoD personnel and dependents
- Not for outside local or national group or charities.
- Requires license/permit from St. Clair County (one time use) *(Last I heard it was about \$15 per license)*
- 50/50 Raffles and cash raffles are not allowed on base, per the AFI, as they violate the general gambling prohibition in DoD 5500.7-R, Joint Ethics Regulation (JER).
- Requires submission and routing like fundraisers.
  - Requests must identify what funds will be used for on the request form.
- **Cannot be conducted in the workplace, on work time, or in uniform.**
- Raffles may be utilized for benefiting AFAF if 100% of donations go to the fund.

## Unofficial Activities:

- Not allowed to conduct raffles of any sort on or off installation.
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# Advertising



- **Flyers must display an easily visible PO disclaimer in 14pt font or larger.** *(note: all communications should have the PO disclaimer)*
- **Avoid the use of:**
  - Ranks, Official Contact info, logo, insignia, letterhead, etc.
  - ***Anything that gives the appearance of base/AF sanction***
- **POs should have building custodian approval prior to hanging flyers** (*Custodian signs the fundraiser request as an acknowledgment*).
- **Fundraiser must be approved prior to advertising – this includes Bulletin requests and social media.**
- **Any advertising should be submitted as a support document along with the fundraiser request form.**
- **You may advertise events of possible interest to the SQ/Unit Airmen via government email.**

***\*\*Turn in your requests as early as possible to allow for as much advertising as possible\*\****

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# Solicitation of Donations



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## ■ Private Orgs

- POs may not directly solicit funds/gifts for their organization **ON** the installation
  - ◆ Do not confuse with fundraising!
- **OFF Base solicitations** must clearly indicate that they are for a PO/UA and not the base or any official part of the Air Force (*don't forget the PO disclaimer*) → We have a donation letter template and donor letters require approval
- There is a donor letter template, available upon request.

## ■ Unofficial Activities

- **Cannot solicit gifts/donations at any time.**

## ■ Both

- May “accept” gifts and donations (*at any time*)
- **Donor/gift recognition may not be made publicly;** Recognition can only be made to members of the PO/UA or those present at an event benefitting from the donation/gift
- Avoid the word “Sponsor” or “Sponsorship”!!!! HOT WORD!

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# Financial Reporting *(POs only)*



- **POs must use budgets and financial statements as financial management tools**
  - **Budget**: Annual operations (income & expenses) & capital purchases
  - **Financial Statements**: POs also must prepare an income and expense statement, which can be done either on an accrual basis or cash basis
  - **Fiscal years run: Oct. 1, XXXX – Sep. 30, XXXX, but POs can report based on their own FY** (see your constitution).
    - ◆ *If ever you are confused which FY you fall in (or just need help in general), please contact the PO Monitor.*

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# Audits



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- **Annual Gross Revenues < \$100,000 but more than \$5,000 – not required to conduct an independent audit**
  - **BUT:**
    - **Must file financial statements to FSS NLT 20 days after the end of PO's fiscal year**
    - **Must verify Audit info:**
      - ♦ Uniform System of Accounting
      - ♦ Consolidated reports of the accounting system in summary
      - ♦ Identified weak areas and plans for corrective action
    - **Internal Controls Must be Implemented:**
      - ♦ Adequate segregation of duties
      - ♦ Proper procedures for authorizations
      - ♦ Adequate documents and records
      - ♦ Physical control over assets and records
      - ♦ Independent check on performance

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# Liability



- Joint and Several liability of PO members
- Members must be made aware & their understanding documented in the Constitution
- Must have adequate insurance to provide liability coverage against personal injury or property damage claims that may arise from their activities
- Waiver – If Installation Commander determines extremely low liability exposure
  - **waiver does NOT protect PO or members from liability**
  - Does not apply to special events
- May be required to obtain insurance in case of medium or high risk event.

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# Logistical Support



- **POs may be provided space for meetings without reimbursement if the use of the space is occasional and only a minor part of the space's other official uses**
  - **Exclusive use of space or facilities requires special approval, and reimbursement may be required**
  
- **Air Force personnel may use official email to communicate within PO/UA and with the PO Coordinator as well as when advertising events of possible interest to the Airmen in the unit/SQ.**

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# Scholarships



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## ■ May members of the PO receive scholarships?

- YES but only if:

(1) The selection of the recipient is made by someone or a group other than the PO, and

(2) The scholarship competition is open to at least the entire "Air Force family" or a significantly large group encompassing more than just PO members

- **Avoids appearance of impropriety; and**
- **Tax consequences**



# TAXES



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- IAW AFI 34-223, para 10.17. “Private Organizations and unit unofficial activities must comply with all applicable federal, state, local, and foreign laws governing like civilian activities. (T-0) Some Private Organizations may qualify for tax-exempt status. It is the responsibility of the Private Organization to obtain proper tax-exempt information and forms through the regional Internal Revenue Service office and the state taxing authority. (T-0)”
  - PO/UA should retain copies of tax status for records and may provide a copy for digital filing to the PO coordinator, but is not required to.
  - **Note: Establishing a PO/UA, does not mean you are automatically exempt!**
  - For more information see IRS Publication 557 (Section 501 (c)(19), visit:
    - <https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>
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# GENERAL INFO: AIR SHOWS



- POs/UAs must be current and on file with 375 FSS in April of the Air Show year.
- POs must submit an email to the PO Coordinator stating:
  - # volunteers able to be provided (*be able to guarantee this for all hours of the entire Airshow*)
  - Ability to staff your booth all times of all Airshow Days.
    - ◆ **Example:** Booth requires 10 people at all times. You say you can staff that. You are guaranteeing 10 bodies in the booth at all times for the duration of the show (we are no longer allowing for partial days). If you break this down into shifts, that's solely up to you, but you will be under contract to provide the bodies.
- Revenue made will be % of sales, unless otherwise noted.
  - Payment is based on all days worked as a whole, not broken down by day, within confines of size of the booth.
    - ◆ **Example:** Your PO works a 10 man booth. Share is \$225/pp. So the booth would earn you \$2,250.00 in total. It would not be multiplied by the number of days since the total is inclusive of all days. To figure out daily profit, divide by the number of days. In this example, let's assume 3 days are worked. Then,  $\$2,250/3 = \$750/\text{day}$ .
- Booth assignments = Luck of the Draw (categorized based on minimum booth personnel req.)
- Scott Event Center retains exclusive rights to serve/sell alcohol, but may ask for volunteers (paid) to augment Event Center Staff.

*\*Info may be subject to change\**

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# Questions?

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