



Headquarters
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***Army Regulation 230–3**

Effective 29 December 2022

**Nonappropriated Funds and Related Activities
Department of the Army Welfare Fund**

By Order of the Secretary of the Army:

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*General, United States Army
Chief of Staff*

Official:

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Secretary of the Army*

History. This publication is a major revision.

Authorities. The authority for this regulation is DoDI 1015.15.

Applicability. This regulation applies to the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve, unless otherwise stated. It only applies to Department of the Army Civilian personnel and Regular Army personnel within the National Capital Region only. Army National Guard and U.S. Army Reserve components are excluded.

Proponent and exception authority. The proponent of this regulation is the Administrative Assistant to the Secretary of the Army. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or its direct reporting unit or field operating agency in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25–30 for specific requirements.

Army internal control process. This regulation contains internal control provisions in accordance with AR 11–2 and identifies key internal controls that must be evaluated (see appendix B).

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) via email to usarmy.belvoir.hqda-oaa.mbx.oaa-spd-dawf@army.mil.

Distribution. This regulation is available in electronic media only and is intended for the Regular Army activities in the National Capital Region.

*This regulation supersedes AR 230-3, dated 30 June 2016.

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Summary of Change

Chapter 1 Introduction

1–1. Purpose

This regulation prescribes the basic policies and operating principles that govern the Department of the Army Welfare Fund (DAWF) ensuring compliance with DoDI 1015.15 and DoDI 7600.06. DAWFs will be used for recreational, social, and group activities and events in which civilian and military personnel participate.

1–2. References, forms, and explanation of abbreviations

See appendix A. The abbreviations, brevity codes, and acronyms (ABCAs) used in this electronic publication are defined when you hover over them. All ABCAs are listed in the ABCA database located at <https://armypubs.army.mil>.

1–3. Associated publications

This section contains no entries.

1–4. Responsibilities

a. Administrative Assistant to the Secretary of the Army. The AASA, through the Deputy Administrative Assistant to the Secretary of the Army (DAASA), exercises sole responsibility for oversight and control of the DAWF and will—

- (1) Ensure proper administration and protection of the DAWF.
- (2) Administer policy and guidance applicable to the DAWF.
- (3) Ensure audits of the DAWF are conducted in compliance with DoDI 7600.06.
- (4) Appoint a fund manager to be responsible for all fiscal operations of the DAWF.
- (5) Delegate authority to the fund manager to approve exceptions or waivers to this regulation for the purchase of nonexpendable items or property with a total cost less than \$10,000 as part of an organization's disbursement request and the DAASA will approve exceptions or waivers exceeding \$10,000.
- (6) Review and approve annual budgets and administrative procedures and controls for fund manager proposals.
- (7) Determine programs, projects, and expenses that would constitute appropriate use of the DAWF.

b. Fund manager. The Fund manager will—

- (1) Serve as the manager of the DAWF with responsibility for coordinating and staffing actions and for developing, implementing, and interpreting policy.
- (2) Receive, safeguard, and disburse funds and other assets as prescribed in Policy Execution Procedures (PEP), Chapter 32; AR 215–1, and AR 215–4.
- (3) Ensure the appropriate personnel are bonded in accordance with AR 215–1.
- (4) Provide status reports to the AASA through the DAASA.
- (5) Initiate action to resolve any loss of assets.
- (6) Appoint a program manager to be responsible for daily administrative support, patron engagements, financial and accounting, and official recordkeeping of the DAWF.
- (7) Review financial statements and budgets and submit suggestions to the DAASA and AASA.
- (8) Assemble a DAWF advisory group if decisions are required beyond the basic operating principles and record activities.

c. Legal advisor. The OAA Senior Counsel will advise the above listed personnel with specific responsibilities on legal matters affecting the DAWF.

1–5. Records management (recordkeeping) requirements

The records management requirement for all record numbers, associated forms, and reports required by this regulation are addressed in the Records Retention Schedule–Army (RRS–A). Detailed information for all related record numbers, forms, and reports are located in Army Records Information Management System (ARIMS)/RRS–A at <https://www.arims.army.mil>. If any record numbers, forms, and reports are not current, addressed, and/or published correctly in ARIMS/RRS–A, see DA Pam 25–403 for guidance.

1-6. Authority

- a. The DAWF is a Program Group 3 Civilian morale, welfare, and recreation (MWR) program nonappropriated fund instrumentality (NAFI). See AR 215-1 and AR 215-7.
- b. Policies and operating principles set forth in AR 215-1 and AR 215-7 will serve as general guidance for administration of the fund. Otherwise, the DAWF is exempt from all other guidance in AR 215-1, AR 215-7, and other applicable regulations because it differs in certain important aspects from nonappropriated welfare funds. The AASA is authorized to establish special operating methods and procedures for administering the DAWF to the extent necessary to serve the purpose of the fund.
- c. The fund manager will coordinate all questions about the scope of authority to establish special operating methods and procedures with an advisory group as needed and the legal advisor (see *para 1-4c*).

Chapter 2 Operating Principles

2-1. Sources of Income

The DAWF derives income from its investments and grants from the Department of Defense (DoD) Concessions Committee. Other forms of income may include—

- a. *Fees from sponsored recreational activities.* The DAWF is authorized to hold special events co-sponsored by private organizations in accordance with DoD 5500.07-R, AR 215-1, AR 210-22, and AR 360-1. Both the DAWF and the private organization must maintain separate receipts. The DAWF will not give the private organization any endorsement or special concession. All agreements for co-hosted events must be in writing.
- b. *Voluntary donations.* Donations offered by non-Federal entities, such as individuals, business firms, civilian organizations, or other groups from the private sector, will be submitted and processed as gifts to the Army adhering to the Department of the Army (DA) gift policy (see AR 1-100).

2-2. Eligibility, authorizations, and prohibitions and restrictions

- a. *Department of the Army Welfare Fund eligibility.*
 - (1) The following personnel are eligible to receive support from the DAWF:
 - (a) Army Civilians and military personnel in the National Capital Region (NCR) assigned to Headquarters, Department of the Army (HQDA) and its field operating agencies.
 - (b) Army Civilians located in the NCR who are not assigned to HQDA or its field operating agencies and who are not covered by another civilian welfare fund.
 - (2) Personnel assigned to HQDA who receive support from the DAWF will not also receive command unit funds or civilian welfare funds.
- b. *Authorizations.* To obtain authorization of funds for eligible patrons of the DAWF, for each fiscal year (FY), eligible organizations must submit a written appointment memorandum and organizational strength report.
 - (1) Appointment memorandums must be signed by a GS-15/O-6 in the chain of command and must designate a primary and alternate appointee, authorizing them to do business with the DAWF and serve on the DAWF advisory group as needed. The DAWF program manager will provide required appointment memorandum templates each FY.
 - (2) Organizational strength report must show the on-board strength of all eligible personnel, including long-term interns and terms/temps who are actually on board and working. These positions are usually permanent or long-term positions with salaries, paid time off, and benefits.
- c. *Prohibitions and restrictions.*
 - (1) Financial assistance will not be rendered to private organizations or charities.
 - (2) DAWF publications or printed material must not contain information that implies the Government endorses or favors specific commercial products, commodities, or services. An appropriate disclaimer will be included in material that advertises or refers to a specific company or commercial product.
 - (3) DAWF funds will not be used to purchase alcoholic beverages or tobacco products or nonexpendable items or property (unless an exception or waiver to policy is granted) excluding items purchased for each patron at or below the per person allowance.
 - (4) Manufacturers or vendors of alcohol and tobacco products are prohibited from co-sponsoring promotional programs, activities, or contests with the DAWF that are aimed primarily at DA personnel. This prohibition is to avoid the appearance that the Army, through the DAWF, is endorsing the use of alcohol

or tobacco products. However, the DAWF may accept support from such manufacturers or vendors for worthwhile programs designed to benefit civilian and military personnel when the support does not require advertised cooperation that identifies an alcohol or tobacco product with the program.

(5) The DAWF may not co-sponsor events with industry or nongovernmental associations that do business with or have the potential to do business with DA. However, co-sponsorship of civic or community activities between the DAWF and industry or nongovernmental associations is authorized when the industry's or association's involvement is remote from its business purpose. All co-sponsored events will be subject to legal review.

2-3. Funds disbursement request process

a. Organizations with bank accounts, or those using vendors with bank accounts, must utilize the electronic funds transfer (EFT) method of disbursement. Exceptions to this rule will be made on a case-by-case basis by the fund manager. Organizations without bank accounts or individuals seeking reimbursement have the option of using EFT or physical check methods. EFTs will be completed via automated clearing house (ACH) method to avoid unauthorized bank service fees and can take three to five business days to arrive in the recipient's account, depending on the bank.

b. To receive DAWF disbursements of authorized funds, the following items must be submitted at least 14 days in advance to the date funds are required:

(1) *Disbursement request.* The disbursement request must be submitted in the form of the template provided by the DAWF program manager. Any request for an exception to policy must be signed by a general officer/senior executive service.

(2) *Legal review.* As needed, organizations should use their assigned legal counsel for legal reviews to clarify use of funds when questionable. Any exception to policy submissions must have a legal review. An email capturing the organization's legal representative's opinion is acceptable. The organization has responsibility to ensure that funds received are used in accordance with AR 215-1 and AR 230-3.

(3) *Estimate and final receipt.*

(a) If funds are requested prior to the event and/or execution of funds, a documented estimate in the form of an invoice or spreadsheet clearly listing costs and details must be provided with the disbursement request document. A final receipt must be subsequently provided for record within seven business days after the date of the event. Receipts for unauthorized expenses (not approved as part of the disbursement request) will not be accepted.

(b) If funds are requested after execution in the form of a reimbursement, a final receipt with associated details must be provided with the disbursement request within seven business days after the date of the event. Unauthorized expenses will not be accepted.

2-4. Principles of financial management

a. The DAWF fund manager will maintain an internal control system to safeguard DAWF assets, check the accuracy and reliability of accounting procedures, promote efficiency, and ensure compliance with accounting and reporting provisions set forth in PEP; DoD 7000.14-R, Volume 13; AR 215-1; AR 215-7; and AR 215-4.

b. Controls for safeguarding DAWF assets will include—

(1) Use of an approved single banking facility for deposits and disbursements.

(2) Detailed recordkeeping by FY of authorized patrons, disbursement requests, estimates and receipts, and balance sheet recording activities.

(3) Established procedures for handling checks and EFT transactions safeguarding information.

(4) Segregated duties, whenever practicable, to minimize opportunity for abuse.

(5) Funds will not be disbursed until eligibility of the patron or organization and allocation balances are verified.

c. The Army Banking and Investment Fund (ABIF) will be the centralized banking and investment vehicle for DAWF assets. This includes deposits and disbursements. All DoD concession deposits are transmitted via EFT.

d. The AASA will approve program activities and budgets on DoD's FY basis.

(1) Each FY budget and associated set allocation for standard program activities will include an eligible patron per person allowance and a special expense allowance benefiting the collective eligible patrons. Any special expense allowance exceeding \$40,000 or expenses outside of these two standard program activities will require input from an advisory group facilitated by the fund manager.

(2) Pursuant to DoDI 1015.15, for accounting and execution of the annual budget and allowances the DAWF will operate under the standard FY timeline of 1 Oct-30 Sep. Allowances will only be used during and for activities in the designated FY and unused funds will be returned to the DAWF.

(3) An advisory group will be assembled on an as-needed basis by the fund manager and will be used to represent the interests of the DAWF patrons. It will be comprised of no less than five but no more than seven members appointed to do business with the DAWF program. Advisory group activities will be recorded and filed for record.

e. The AASA may deny or prohibit the use of funds in any instance or for any purpose that is inconsistent with either the general objectives of the fund or the best interests of DA.

f. The DAWF fund manager and program manager, to include alternates who serve in the absence of others, must be bonded. The respective fund will be responsible for bonding expenses.

g. Any recommendation to disestablish the DAWF must be addressed through the AASA to ensure proper disposition of DAWF assets and liabilities. Refer to AR 215–1 for general guidance.

h. Per AR 215–1, the Army Morale, Welfare, and Recreation Fund (AMWRF) is the DAWF successor-in-interest.

2–5. Management of property

Nonexpendable items or property refers to tangible items of value other than cash and rental property acquired and held for the use and benefit of DAWF program participants. Physical inventories will be conducted every year by the owning organizations, and they will maintain records of the property until final disposition for audit purposes.

2–6. Requirements for financial reporting

The Board of Directors, Army Civilian Welfare Fund, U.S. Army Installation Management Command (IMCOM) G–9, Financial Management Division (AMIM–WRF), 2455 Reynolds Road, Fort Sam Houston, TX 78234, provides financial reporting functions for the DAWF per DoDI 1015.15. Financial data provided by the DAWF is consolidated into the Army Civilian Welfare Fund Report. The DAWF fund manager, at a minimum, will submit to IMCOM, G–9 an annual balance sheet, income statement, and narrative statement including an overview of the previous year's financial status, current year's performance, and future year projections based on past and current year performance within 30 calendar days of the close of the 4th quarter of each FY. Additional quarterly reporting requirements throughout the FY may be requested by IMCOM, G–9.

Appendix A

References

Section I

Required Publications

Unless otherwise indicated, all Army publications are available on the Army Publishing Directorate website at <https://armypubs.army.mil>. DoD publications are available on the Executive Services Directorate website at <https://www.esd.whs.mil>.

AR 215–1

Military Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities (Cited in para 1–4b(2).)

AR 215–4

Nonappropriated Fund Contracting (Cited in para 1–4b(2).)

AR 215–7

Civilian Nonappropriated Funds and Morale, Welfare, and Recreation Activities (Cited in *para 1–6a.*)

DoD 5500.07–R

Joint Ethics Regulation (JER) (Cited in *para 2–1a.*)

DoD 7000.14–R, Volume 13

Department of Defense Financial Management Policy (Cited in *para 2–4a.*)

DoDI 1015.15

Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources (Cited in title page.)

DoDI 7600.06

Audit of Nonappropriated Fund Instrumentalities and Related Activities (Cited in para 1–1.)

PEP, Chapter 32

Accounting Procedures for Army Nonappropriated Funds Instrumentalities (Cited in para 1–4b(2).) (Available at: <https://army.deps.mil>.)

Section II

Prescribed Forms

This section contains no entries.

Appendix B

Internal Control Evaluation

B–1. Function

The function covered by this evaluation is the DAWF.

B–2. Purpose

The purpose of this evaluation is to assist the DAWF managers in evaluating the key internal controls listed. It is intended as a guide and does not cover all controls.

B–3. Instructions

Answers must be based on the actual testing of key internal controls (for example, document analysis, direct observation, sampling, simulation, or other). Answers that indicate deficiencies must be explained and the corrective action identified in supporting documentation. These internal controls must be evaluated at least once every 5 years. Certification that the evaluation has been conducted must be accomplished on DA Form 11–2 (Internal Control Evaluation Certification).

B–4. Test questions

- a. Are the fund manager, program manager, and representative patrons from participating organizations appointed by memorandum and are the appointment orders filed and maintained?
- b. Are funds requested and distributed in accordance with the established guidance?
- c. Are financial statements reviewed by the fund manager and are audit results provided to the legal advisor for review?
- d. Are fund management controls in place and being followed?
- e. Have personnel with access to funds been properly bonded and has documentation of the bonding been filed for record?
- f. If the purchase of property is granted, is a physical inventory conducted and recorded each year by the owning organization?
- g. Has the annual financial reporting requirement been met and filed in accordance with recordkeeping standards?
- h. Is the FY program activity allowances and analysis informing the set allowance decision recorded and filed?
- i. Has an advisory group been assembled? If so, are the activities and the results of the advisory group recorded?

B–5. Supersession

This evaluation replaces the evaluation for the execution of the DAWF previously published in AR 230–3, dated 30 June 2016.

B–6. Comments

Help make this a better tool for evaluating internal controls. Submit comments to the Administrative Assistant to the Secretary of the Army via email to usarmy.belvoir.hqda-oaa.mbx.oaa-spd-dawf@army.mil.

Glossary of Terms

Acronym

A word formed from the initial letters of a name or parts of a series of words (for example, “ACTS” for Army Criteria Tracking Systems or “ARIMS” for Army Records Information Management System).

Advisory group

A representative body of civilian employees and/or military personnel assembled to assist with representing the patrons best interest in support decisions outside of general operating principles.

Bonding

Bonding protects NAFIs/entities against losses of money or property caused by fraud, theft, embezzlement, larceny, or dishonesty by an employee. The amount of bond for each employee will depend on the classification of the position.

Brevity code

A shortened form of frequently used phrases, sentences, or a group of sentences normally consisting entirely of upper case letters (for example, COMSEC for communications security).

Donations

Voluntary offerings by individuals, business firms, civilian organizations, or other groups in the private sector. Donations may take the form of funds or products.

Fund manager

An individual appointed by written authority to a post of responsibility and trusted to exercise administrative and executive control of a NAFI and charged with accountability for its NAF resources. The fund manager is the official fund manager of a NAFI.

Industry organizations and associations

Private groups whose goals are to promote cooperation between DoD and industries with which it does or has potential business.

Legal advisor

An attorney from the Chief Attorney and Legal Services, Office of the Administrative Assistant to the Secretary of the Army, who provides legal advice relating to matters affecting the DAWF.

National Capital Region

The geographic area located within the boundaries of the District of Columbia; Montgomery and Prince George’s Counties in the State of Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties and the city of Alexandria in the Commonwealth of Virginia; and all cities and other units of government within the geographic areas of the District, counties, and city.

Nonappropriated fund instrumentality

A U.S. Government organization and fiscal entity that performs essential Government functions. It is not a Federal agency. It acts in its own name to assist other DoD organizations in providing MWR and other programs for military personnel, their families, and authorized civilians. It is established and maintained individually or jointly by two or more DoD components. As a fiscal entity, it maintains custody of and control over its NAFs, equipment, facilities, land, and other assets. It is responsible for the prudent administration, safeguarding, preservation, and maintenance of those NAF resources made available to carry out its function. With its NAFs, it contributes to the MWR programs of other authorized organizational entities, when so authorized. A NAFI is not incorporated under the laws of any State or the District of Columbia, but it has the legal status of an instrumentality of the United States. NAFIs are not “persons” subject to Federal trade and antitrust laws, and they are not subject to State regulation or control in the absence of specific authorization in a Federal statute.

Nonappropriated funds

Cash and other assets derived from sources other than Congressional appropriations, primarily the sale of goods and services to DoD personnel and their Family members that are used by the NAFI to support or provide authorized programs. NAFs are Government funds used for the collective benefit of those who generate them. These funds are separate and apart from funds that are recorded in the books of the Treasurer of the United States.

Nonexpendable items or property

Refers to tangible items of value other than cash and rental property acquired and held for the use and benefit of DAWF program participants.

Private organization

A self-sustaining, non-Federal entity, incorporated or unincorporated, that is operated on Army/DoD installations with the written consent of the senior commander or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government or its instrumentalities.

Successor-in-interest

The successor-in-interest NAFI may provide financial support and assistance to specified or assigned NAFIs/entities, as required, and will assume all outstanding liabilities or receive the residual assets of NAFIs/entities following their dissolution.

Unit funds

Funds senior commanders establish and administer by for the benefit and well-being of the assigned military members. Unit funds are derived from NAF activities, such as sales, special events, and fees.

SUMMARY of CHANGE

AR 230–3
Department of the Army Welfare Fund

This major revision, dated 29 November 2022—

- Updates responsibilities for Administrative Assistant to the Secretary of the Army, Deputy Administrative Assistant, fund manager, and legal advisor (para 1–4).
- Updates voluntary donations section to align with the Army Gift Program (*para 2–1b*).
- Adds information to obtain authorization of funds (*para 2–2b*).
- Adds organizational level Department of the Army Welfare Fund appointees will serve as an advisory group participant, as needed (*para 2–2b*).
- Adds information on funds disbursement requirements, including electronic funds transfer (para 2–3).
- Updates principles of financial management and fund manager requirements to maintain internal controls to safeguard Department of the Army Welfare Fund assets (para 2–4).
- Adds reference to standard program activities and when an advisory group would be utilized (*para 2–4d*).
- Adds the Department of the Army Welfare Fund successor-in-interest statement (*para 2–4h*).
- Updates physical inventories of property items reporting requirements (para 2–5).
- Updates financial reporting requirements (para 2–6).
- Updates internal controls (para B–4).
- Updates all references of operating procedures to operating principles (throughout).

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