

**Army Regulation 15-110
AFI 34-203(I)**

Boards, Commissions, and Committees

Board of Directors, Army and Air Force Exchange Service

**Headquarters
Departments of the Army,
Department of the Air Force
Washington, DC
10 July 2009**

UNCLASSIFIED

SUMMARY of CHANGE

AR 15-110/AFI 34-203(I)

Board of Directors, Army and Air Force Exchange Service

This major revision, dated 10 July 2009--

- o Changes the composition of the Board of Directors, Army and Air Force Exchange Service and the Board's committees due to reorganization and changes in position titles of both the Army and the Air Force staffs (paras 5 and 9).
- o Changes requirements for member-at-large positions (paras 5a(17) and 5a(18)).
- o Clarifies board chair rotation date (para 7).
- o Changes the composition of the Audit Committee to include 5 permanent members (in accordance with motion passed at the 14 May 2008 Board of Directors meeting) (para 9c(2)).
- o Makes administrative changes (throughout).

Headquarters
Departments of the Army,
Department of the Air Force
Washington, DC
10 July 2009

*Army Regulation 15-110
*AFI 34-203(I)

Effective 10 August 2009

Boards, Commissions, and Committees

Board of Directors, Army and Air Force Exchange Service

By Order of the Secretary of the Army, and Air Force:

GEORGE W. CASEY, JR.
General, United States Army
Chief of Staff

Official:


JOYCE E. MORROW
Administrative Assistant to the
Secretary of the Army

RICHARD Y. NEWTON III,
Lt General, USAF
Manpower and Personnel

History. This publication is a major revision.

Summary. This regulation covers the composition of the Army and Air Force Exchange Service Board of Directors.

Applicability. This regulation applies to the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve; and the Active Air Force, Air National Guard, and the Air Force Reserve, unless otherwise stated.

Proponent and exception authority. The proponent of this regulation is the Assistant Chief of Staff for Installation Management. 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 guidance.

Army management control process. This regulation does not contain management control provisions.

Supplementation. Supplementation of this regulation and establishment of command and local forms are prohibited without prior approval from the Assistant Chief of Staff for Installation Management, 600 Army Pentagon, Washington, DC 20310-0600, or HQ USAF/ILV, 1770 Air Force Pentagon, Washington, DC 20330-1770.

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Chair, Board of Directors, Army and Air Force Exchange Service, 2511 Jefferson Davis Highway, Suite 11600, Arlington, Virginia 22202-3922.

Committee Continuance Approval. The Department of the Army committee

management official concurs in the establishment and/or continuance of the committee(s) outlined herein, in accordance with AR 15-1. Army Regulation 15-1 requires the proponent to justify establishing/continuing committee(s), coordinate draft publications, and coordinate changes in committee status with the Department of the Army Committee Management Office (AARP-ZA), 2511 Jefferson Davis Highway, Taylor Building, 13th floor, Arlington, VA 22202-3926. Further, if it is determined that an established "group" identified within this regulation, later takes on the characteristics of a committee, the proponent will follow all AR 15-1 requirements for establishing and continuing the group as a committee.

Distribution. Distribution is available in electronic media only and intended for command level E for the Active Army, the Army National Guard, and the U.S. Army Reserve. Air Force: F.

*This regulation supersedes AR 15-110/AFI 34-203(I), 18 November 2005.

Contents (Listed by paragraph and page number)

Purpose • 1, *page 1*

References • 2, *page 1*

Explanation of abbreviations and terms • 3, *page 1*

Responsibility • 4, *page 1*

Composition of the Board • 5, *page 1*

Alternate board members • 6, *page 1*

Board proceedings • 7, *page 1*

Direction and control • 8, *page 2*

Committees of the board • 9, *page 2*

Administrative support • 10, *page 3*

Appendix A. References, *page 4*

Glossary

1. Purpose

This regulation designates the Army and Air Force Exchange Service Board of Directors (AAFBD) (hereinafter the Board), as a permanent Army and Air Force Board.

2. References

Required and related publications and prescribed and referenced forms are listed in appendix A.

3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are explained in the glossary.

4. Responsibility

The Commander, Army and Air Force Exchange Service (AAFES), on behalf of the Board, has primary interdepartmental responsibility for the worldwide administration and operation of AAFES activities.

5. Composition of the Board

a. The Board will consist of the following voting members:

- (1) Deputy Chief of Staff, Manpower and Personnel, U.S. Air Force (USAF A1).
- (2) Deputy Chief of Staff, G-4 (DCS, G-4), U.S. Army.
- (3) Deputy Assistant Secretary of the Army (Personnel Oversight).
- (4) Deputy Assistant Secretary of the Air Force (Force Management Integration).
- (5) Military Deputy for Budget, Office of the Assistant Secretary of the Army (Financial Management and Comptroller).
- (6) Deputy Assistant Secretary of the Air Force (Budget).
- (7) Europe member (Deputy Commanding General, U.S. Army Europe or Vice Commander, U.S. Air Forces in Europe).
- (8) Commander, Army and Air Force Exchange Service.
- (9) Pacific Rim (PACRIM) member (Deputy Commander, U.S. Army Pacific or Vice Commander, Pacific Air Forces).
- (10) Assistant Deputy Chief of Staff, G-1 (DCS, G-1), U.S. Army.
- (11) Director of Services, U.S. Air Force.
- (12) A general officer representing the Reserve Components for a two-year rotating appointment beginning January 1993.
- (13) Commander, U.S. Army Family and Morale, Welfare and Recreation Command.
- (14) Director of Budget Operations, Office of the Deputy Assistant Secretary of the Air Force (Budget).
- (15) Sergeant Major of the Army.
- (16) Chief Master Sergeant of the Air Force.
- (17) Army member-at-large for a 1-year appointment renewable up to 3 years.
- (18) Air Force member-at-large for a 1-year appointment renewable up to 3 years.

b. The PACRIM member will be from the same Service as the Board chair, and the Europe member will be from the opposite Service.

6. Alternate board members

a. Each member of the Board may designate a permanent alternate to act and vote during their absence. Designations of permanent alternates will be made in writing, to the Board chair.

- (1) Permanent alternates for general officer/civilian equivalent members will be no less than pay grade O-6 or the civilian equivalent.
 - (2) Permanent alternates for the noncommissioned officer members will be in pay grade E-9.
 - (3) Commanders of overseas exchange systems may not serve as members of the Board or as permanent alternates.
- b.* Temporary alternates may not be designated.

7. Board proceedings

a. The position of board chair will alternate between the Air Force A1 and the DCS, G-4, U.S. Army with the intention that the chair will serve for an approximate 3-year interval. The new chair will be announced at the board meeting immediately preceding the expiration of the 3-year term, and will take office prior to the next board meeting. If a sitting chair is unable to fulfill a 3-year term, the Service of the sitting chair may either fill the position with another general officer for the remainder of the term or return the chair position to the other Service. If the chair is temporarily unable to act as chair, the Air Force A1 or the DCS, G-4, U.S. Army (as appropriate) will assume the board chair duties.

b. The quorum required to conduct Board business will be 10 members.

c. A board member who is unable to attend a scheduled meeting may delegate their vote, in writing, to another member in the absence of a designated permanent alternate. (The delegated vote will not be counted for purposes of determining whether a quorum is present.)

8. Direction and control

The board is responsible to the Secretary of the Army and the Secretary of the Air Force, through the respective Services' Chiefs of Staff, for—

- a. Directing the Army and Air Force Exchange Service.
- b. Determining and approving basic policies, plans, and programs pertaining to AAFES. The board will ensure staffing with departmental and other Department of Defense (DOD) or non-DOD entities on appropriate matters.
- c. Deciding annual AAFES financial plans and goals for its worldwide operations and conducting subsequent reviews of operating results.
- d. Providing through the respective Services' Chiefs of Staff to the Secretaries of the Army and the Air Force an annual report on exchange operations. The report will be prepared by the Commander, AAFES and will include the annual audit statement issued by certified public accountants as well as a summary of operations during the prior fiscal year.
- e. Providing the respective Services' Chiefs of Staff with quarterly reports on the status of AAFES. The reports will include policy decisions made by the Board and major operational programs and policies of the Commander, AAFES. Reports will be signed by the USAF A1 and the DCS, G-4, U.S. Army.

9. Committees of the board

Standing committees of the board and their duties, responsibilities, and memberships are discussed below. Each committee operates under the direction of the board chair and is generally constituted so as to provide equal Army and Air Force representation.

- a. *Executive committee.*
 - (1) The executive committee—
 - (a) Acts on important items that arise between regular board sessions.
 - (b) Serves as an advisory group for major plans and programs that will be presented to the board for final decision.
 - (c) Exercises full authority of the board, except as limited by the board.
 - (2) Committee membership will consist of the following:
 - (a) Deputy Chief of Staff, Manpower and Personnel, A-1, U.S. Air Force.
 - (b) Deputy Chief of Staff, G-4, U.S. Army.
 - (c) Commander, AAFES.
 - (d) Commander, U.S. Army Family and Morale, Welfare, and Recreation Command.
 - (e) Director of Services, U.S. Air Force.
 - (f) Deputy Assistant Secretary of the Army (Personnel Oversight) or Deputy Assistant Secretary of the Air Force (Budget), (opposite Service of the Commander, AAFES).
- b. *Finance committee.*
 - (1) The finance committee—
 - (a) Monitors, reviews, and recommends approval of financial policy/plans and long-range construction programs.
 - (b) Reviews and recommends to the Board those projects requiring board approval.
 - (c) Re-approves projects reaching re-approval thresholds between board meetings.
 - (2) The committee membership will consist of the following:
 - (a) Deputy Assistant Secretary of the Air Force (Budget).
 - (b) Military Deputy for Budget Office of the Assistant Secretary of the Army (Financial Management and Comptroller).
 - (c) Director of Services, U.S. Air Force.
 - (d) Commander, U.S. Army Family and Morale, Welfare and Recreation Command.
 - (e) Board chair designee (expires with board chair rotation).
 - (3) Committee chair will be determined as follows:
 - (a) When the Board chair is from the Army, the Deputy Assistant Secretary of the Air Force (Budget) is the designated finance committee chair.
 - (b) When the Board chair is from the Air Force, the Army Military Deputy for Budget is the designated finance committee chair.
- c. *Audit committee.*
 - (1) The audit committee—
 - (a) Recommends to the Board the selection of the independent certified public accounting firm to perform an annual external audit of AAFES.

- (b) Reviews audit plans of the independent auditor, including the audit scope, objectives, and methods.
 - (c) Reviews and recommends acceptance of the external independent audit report.
 - (d) Reviews and examines the organization, staffing, functions, and audit work plans of the AAFES internal audit element; evaluates internal audit reports; and makes recommendations for improvements.
 - (e) Monitors AAFES management implementation of external and internal audit recommendations and external inspection recommendations, and the results of management actions.
 - (f) Ensures that managerial and accounting controls are reviewed for adequacy and effectiveness.
 - (g) Coordinates with the finance committee to promote and improve financial accounting and reporting practices and disclosures, as well as management effectiveness.
- (2) The committee membership will consist of the following:
- (a) Chair, Director of Budget Operations, Office of the Deputy Assistant Secretary of the Air Force (Budget).
 - (b) Commander, U.S. Army Family and Morale, Welfare and Recreation Command.
 - (c) Director of Services, U.S. Air Force.
 - (d) Sergeant Major of the Army.
 - (e) Chief Master Sergeant of the Air Force.
- d. Pay and compensation committee.*
- (1) The pay and compensation committee—
- (a) Meets as required by the Board chair.
 - (b) Monitors, reviews, and recommends approval of overall AAFES pay and compensation policies.
 - (c) Tasks AAFES, as required, to conduct specific studies on subjects regarding pay/compensation issues, and reports findings through the committee to the Board, as appropriate.
 - (d) Reviews other matters concerning pay/compensation as referred to it by the Board.
- (2) The committee membership will consist of the following:
- (a) Chair, Assistant Deputy Chief of Staff, G-1, U.S. Army.
 - (b) Military Deputy for Budget, Office of the Assistant Secretary of the Army (Financial Management and Comptroller).
 - (c) Director of Budget Operations, Office of the Deputy Assistant Secretary of the Air Force (Budget).
 - (d) U.S. Air Force member-at-large.

10. Administrative support

Office space for meetings and recording and preparation of minutes will be provided by AAFES. Temporary duty travel funds for board members will come from their respective Service's travel funds.

Appendix A References

Section I Required Publications

This section contains no entries.

Section II Related Publications

A related publication is a source of additional information. The user does not have to read a related reference to understand this publication.

AR 15-1
Boards, Commissions, and Committees-Committee Management

AR 215-8/AFR 34-211(I)
Army and Air Force Exchange Service Operations

DODI 1015.15
Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources (Available at <http://www.dtic.mil/whs/directives>.)

DODI 1330.9
Armed Services Exchange Policy (Available at <http://www.dtic.mil/whs/directives>.)

DODI 1330.21
Armed Services Exchange Regulations (ASER) (Available at <http://www.dtic.mil/whs/directives>.)

Section III Prescribed Forms

This section contains no entries.

Section IV Referenced Forms

This section contains no entries.

Glossary

Section I Abbreviations

AAFBD

Army and Air Force Exchange Service Board of Directors

AAFES

Army and Air Force Exchange Service

ACSIM

Assistant Chief of Staff for Installation Management

DOD

Department of Defense

DODI

Department of Defense Instruction

PACRIM

Pacific Rim

Section II

Terms

This section contains no entries.

Section III

Special Abbreviations and Terms

This section contains no entries.

UNCLASSIFIED

PIN 015561-000