ADMINISTRATION OF AFLOAT RECREATION PROGRAMS
From: Commander, Navy Installations Command

Subj: ADMINISTRATION OF AFLOAT RECREATION PROGRAMS

Ref: See Appendix A

1. Purpose. Per references (a) through (al), this instruction provides policy and guidance for:
   a. Afloat Recreation Program responsibilities, inspections, programming guidelines and policy.
   b. Financial management and administration of Afloat Recreation Funds, including policy guidance on shipboard resale activities.
   c. Generation, receipt, expenditure and accounting of appropriated funds (APF) and nonappropriated funds (NAF) used in Afloat Recreation Programs.
   d. Procurement, management and disposition of APF and NAF purchased property in support of the Afloat Recreation Programs.
   e. Support to Commander, Navy Installations Command (CNIC) Afloat Recreation and Fitness staff.

2. Cancellation. CNIC M-1710.1

3. Scope and Applicability. This instruction applies to all commanding officers operating Afloat Recreation Programs, CNIC Headquarters, regions and installations.

4. Policy

   a. Under the authority of reference (a), the Secretary of Defense prescribed regulations governing the purposes for which Morale, Welfare and Recreation (MWR) NAF may be expended and managed to prevent waste, loss or unauthorized use. Per reference (b), personnel who violate NAF regulations regarding the use and safekeeping of NAF will be subject to the same penalties under Federal laws governing the misuse of APF.
b. The Navy Military MWR Program is established and operated per reference (c). The Afloat Recreation Program is a Category A Military MWR program established and operated pursuant to reference (c), enclosure (5), paragraph 1h. The resale activities of Afloat Recreation Programs are Category C MWR programs pursuant to reference (c).

c. Navy policy regarding readiness contingencies and deployments is to provide deployed units with programs that meet their needs for unit cohesion and individual stress relief. The policy and guidance set forth in this instruction and in references (d) and (e) are applicable to all afloat commands maintaining a recreation fund.

5. Records Management. Records created as a result of this instruction, regardless of media and format, will be managed per Secretary of the Navy Manual 5210.1 of January 2012.

6. Review and Effective Date. Per OPNAVINST 5215.17A, CNIC (N9) will review this instruction annually on the anniversary of its effective date to ensure applicability, currency and consistency with Federal, DoD, SECNAV and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will automatically expire 5 years after effective date unless reissued or canceled prior to the 5-year anniversary date, or an extension has been granted.

7. Forms Management

a. The following forms are available for download from: http://www.navyfitness.org/deployed-forces-support/afloat-recreation-fund-management/forms.

   (1) CNIC Afloat Recreation Program Internal Inspection Report (can also be obtained from local Deployed Forces Support offices).

   (2) NAVCOMPT Form 743 Petty Cash Voucher.

   (3) NAVCOMPT Form 2211 Daily Activity Record.

   (4) CNIC Form 7010/1 Recreation Fund Financial Statement.

   (5) NAVCOMPT Form 2213 Purchase Order Form or DD Form 1155 Order for Supplies or Services.

   (6) NAVCOMPT Form 742-1 Stock Record.

   (7) NAVCOMPT Form 2215 Inventory Record.

   (8) SF-18 Request for Quotation.

   (9) SF-33 Solicitation, Offer and Award.
(10) NAVCOMPT Form 2212 Certificate of Disposition.

(11) DD Form 1149 Requisition and Invoice/Shipping Document.

C. S. GRAY
Chief of Staff

Releasability and distribution:
This instruction is cleared for public release and is available electronically only via CNIC Gateway 2.0, https://g2.cnic.navy.mil/CC/Documents/Forms/Directives%20Only.aspx
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CHAPTER 1
AFLOAT RECREATION PROGRAM INTRODUCTION AND RESPONSIBILITIES

1. Commander, Navy Installations Command (CNIC). Per reference (f), CNIC is the designated program manager for Navy MWR programs, ashore and afloat. As the administrator of the Afloat Recreation Program, CNIC (N92) will:

   a. Distribute guidance for the management and implementation of the program.

   b. Develop an operational manual, to include guidance for fiscal management, accounting, procurement and program procedures.

   c. Certify compliance with established policy and program guidelines through fiscal oversight and program inspections.

   d. Be the Financial Successor-in-Interest for all Afloat Recreation Funds and conduct Afloat Recreation Fund inspections on all ships designated “USS,” as well as fully operational hospital ships.

   e. Establish written procedures to establish or disestablish a command’s Afloat Recreation Fund.

   f. Provide technical assistance and training for commands administering Afloat Recreation Programs.

   g. Administer, manage and execute the Civilian Afloat Recreation and Fitness Specialist (“Fun Boss” and “Fit Boss”) Program.

2. Deployed Forces Support Coordinators (DFSC)

   a. DFSCs are located at major fleet concentration ports world-wide, and are employees of the Region or installation at which they are located. DFSCs provide direct support to fleet units in all aspects of shipboard recreation programs and administration by:

      (1) Providing on-site training and assistance in recreation program accounting, fiscal oversight, procurement, general program administration and fund management. DFSCs will offer the Afloat Recreation Program Management Course as required to support Afloat Recreation Programs.

      (2) Providing guidance and assistance in operating recreation activities and programs.

      (3) Assisting afloat commands in efficiently using limited resources to meet recreation wants and needs.
(4) Identifying realistic alternatives to program constraints and limitations.

(5) Liaising between the Afloat Recreation Program and MWR programs ashore.

(6) Facilitating ships’ participation in the Ashore MWR Intramural Sports Program.

(7) Working with ships’ procurement officials and assisting in identifying reliable local community services and vendors to procure necessary recreation equipment and supplies (i.e., sports equipment vendors).

(8) Serving as the recreation liaison between ashore commanding officers (CO) and afloat COs.

(9) Providing information about recreation opportunities on the installation and in the civilian community.

(10) Working with MWR programs ashore to identify and make available appropriate warehouse space to support Deployed Forces Support (DFS) fitness and recreation equipment storage requirements.

(11) Working with ships’ procurement officials to provide fitness equipment repair workshops by working with vendors to schedule these programs during times when the largest concentration of ships is in port or prior to a deployment.

(12) Scheduling and conducting assist visits prior to CNIC Afloat Recreation Fund Inspections conducted by the DFS Program Managers.

(13) Locally implementing the distribution of recreation and fitness equipment procured by CNIC through the effective operation of CNIC-funded warehouse inventory management programs.

(14) Providing recommendations and technical assistance for shipboard exercise equipment and exercise spaces.

(15) Maintaining a library of applicable DFS recreation references, standards, policies and instructions.

(16) Providing assistance in budgeting.

(17) Providing orientation briefs for crews relocating to a new homeport, as well as ships returning from deployment.

b. Although the actual duties of DFSCs will vary, their common goal is a commitment to enhancing the quality of life of shipboard personnel. The potential is unlimited and the rewards
are immeasurable for those commands that make full use of the professional expertise available from the world-wide network of DFSCs.

c. For updated points of contact (POC) for DFS offices outside of the contiguous United States (OCONUS), ships should contact local DFS offices (homeported) or visit the DFS website (www.deployedforces.org). For OCONUS ports of call without U.S. Navy MWR DFS Offices, refer to the ship’s Secret Internet Protocol Router Network and access the Foreign Area Clearance Guide for information regarding POCs for Defense Attaché Offices or Offices of Defense Cooperation at host nations being visited.

3. **Commanding Officer (CO).** Per reference (g), fund administration and supervision are command functions. Consequently, COs have the same responsibility for the proper administration of NAF as for any other functional element of their command. They are responsible for the administration, operation and financial condition of their shipboard recreation programs. Responsibilities include the following:

   a. Directing the program per established policies and procedures.

   b. Reviewing and evaluating financial statements.

   c. Appointing qualified personnel to execute the program.

   d. Ensuring the Recreation Fund Custodian (RFC) and the Recreation Services Officer (RSO) attend the required CNIC Afloat Recreation Program Management Course within 30 days after being assigned.

   e. Budgeting APF authorized for Category A activities to fully support the Recreation Program. Common examples are outlined in Chapter 3, paragraphs 8 and 9 of this instruction, as well as in references (c) and (h).

   f. Ensuring the Afloat Recreation Fund has a comprehensive and working NAF operating budget.

   g. Directing that inventories are taken twice annually and upon relief of the RSO.

   h. Ensuring monies and property are safeguarded.

   i. Effecting corrective action on recommendations from fiscal oversight visits and CNIC inspections.

   j. Ensuring expenditures are made to benefit the majority of the crew. Decisions regarding questionable expenditures should only be made after consulting the Recreation Advisory Board (RAB), local DFSC and CNIC DFS Program Manager.
4. **Executive Officer (XO).** Per reference (i), XOs are responsible for carrying on a program of recreation and athletics.

5. **Afloat Recreation and Fitness Specialist Program.** Guidance is provided on the Civilian Afloat Recreation Specialist (Fun Boss) and Afloat Fitness Specialist (Fit Boss) in Chapter 7 of this instruction.

6. **Recreation Services Officer (RSO).** Per reference (i), the RSO is appointed to exercise administrative and executive control and accountability for the recreation program. For the purpose of continuity, RSO tenure should be at least one year and appointment must be designated in writing by the CO. In cases where there is a lack of commissioned officers, a qualified chief petty officer (CPO) or senior may be assigned. The RSO is required to attend the CNIC Afloat Recreation Program Management Course prior to, or within 30 days of, being assigned to the position. The RSO is responsible to the CO for the proper functioning of the recreation program. Personnel assigned to the recreation program report to the RSO. Duties, responsibilities and authority are as follows:

   a. Serve as RFC if no other officer is assigned. The same person is permitted to be both the RSO and RFC for commands that have less than 100 personnel. The two duties must be held by two separate people in commands that have 100 or more personnel assigned.

   b. Develop and administer an active and varied program of recreation activities, interdivisional athletics, off-duty activities and leisure pursuits for assigned personnel.

   c. Prepare and submit required reports.

   d. Develop a budget and financial plan for both APF and NAF. The budget should ensure that expenses do not exceed income, all expenditures are covered and funds are available for ongoing programs.

   e. Conduct procurement, maintenance and disposition of recreation property.

   f. Supervise the issuance and use of recreation equipment.

   g. Coordinate recreational activities with special interest groups (SIG), private organizations and MWR programs ashore, as well as maintaining liaison with other units and organizations with respect to available recreation programs and facilities.

   h. Encourage participation in intramural sports programs.

   i. Maintain close liaison with the RAB and attend all meetings.

   j. Train and supervise personnel assigned to the recreation program.
k. Coordinate a recreational safety program with the unit’s Safety Officer.

l. Advise the CO of the recreation needs of assigned personnel based on surveys and discussions with CPO and junior enlisted focus groups. Local DFSCs may be used to assist with surveying the crew.

m. Maintain references and source material applicable to the program.

n. Ensure shipboard personnel participate in fitness repair workshops to maintain necessary command expertise in keeping shipboard fitness equipment operating properly in port and underway.

o. Maintain close liaison with the DFS Program Manager to ensure the command’s needs are addressed in a timely fashion.

p. Ensure a proactive and comprehensive Preventative Maintenance Program (PMP) is developed and followed on all fitness and recreation equipment owned by the Recreation Fund. PMP requirements are listed in Chapter 6 of this instruction.

q. Advise the CO on Department of Defense, Department of Navy and CNIC policy.

7. Recreation Fund Custodian (RFC). Reference (i) establishes necessary internal controls and records to ensure proper receipt, safe-keeping, deposit, disbursement and accountability of the Afloat Recreation Fund. The RFC must be designated in writing by the CO. In cases where there is a lack of commissioned officers, a qualified CPO or higher may be assigned. The RFC must attend the CNIC-required Afloat Recreation Program Management Course prior to, or within 30 days of, being assigned to the position. Individuals assigned duties as an RFC for another account or individuals assigned duties involving the disbursement of APF may not be charged with handling custody or accountability of Afloat Recreation NAF or records. As such, members of the Chaplain Corps may not serve as RFCs. Duties and responsibilities are as follows:

a. Maintain established accounting procedures for NAF.

b. Assist the RSO with property management and budget preparation and execution.

c. Maintain references and source material applicable to Afloat Recreation Fund custodian duties and responsibilities.

d. Prepare and submit required reports, to include financial reports on the status of the Afloat Recreation Fund and provide same to the CO.

e. Serve as a non-voting member of the RAB.
8. **Recreation Advisory Board (RAB).** The RAB will be established by the CO to represent a cross section of enlisted, officers and embarked units in matters concerning the Afloat Recreation Program. An advisory board is essential in helping the CO provide for specific recreational needs of the command. Membership diversity will ensure a wide variety of program interests is accurately represented. The board is advisory in nature and does not have management or administrative custody of Afloat Recreation Funds.

   a. **Membership of the RAB**

   (1) The RAB will contain a proportional share of enlisted, officer and embarked unit personnel.

   (2) Each department should have an individual representative on the RAB and embarked units are entitled to proportional representation.

   (3) Diversity in membership should be sought in the interest of accurately representing a wide variety of interests.

   (4) The CO will appoint a chairperson in writing and a secretary will be elected from among the members to record minutes.

   (5) The RSO and RFC will attend each meeting of the RAB in an advisory, non-voting capacity.

   b. **Operation of the RAB requires the following actions:**

   (1) Meet at least once each quarter.

   (2) Review financial reports and ascertain the condition of the Afloat Recreation Fund.

   (3) Maintain familiarity with recreation policies and procedures.

   (4) Review and endorse the reports of advisory groups (where established).

   (5) Provide copies of meeting minutes to the RSO, RFC and CO. Recommendations will indicate the number of affirmative and negative votes. The CO should review and make comments and approve or disapprove all actions of the RAB.

9. **Fiscal Oversight Board.** Per reference (i), the Fiscal Oversight Board will ensure all government property and monies are accounted for and properly protected, personnel adhere to regulations, instructions and irregularities are corrected. The board will consist of three or more impartial members consisting of two commissioned officers and one CPO appointed in writing by the CO. One of the appointed officers should be a member of the Supply Corps. Members should have experience or training in accounting, fiscal oversight, financial administration or
related fields. Any two or more board members may conduct fiscal oversight by using the CNIC Afloat Recreation Program Internal Inspection Report, which can be obtained from their local DFS office. Since this form changes periodically it is best to check with the local DFS office for the latest version. Fiscal Oversight Board responsibilities are as follows:

a. Conduct a complete fiscal oversight review of the recreation fund and physical inventory semi-annually (31 March and 30 September), and upon relief of the RFC. Fiscal reviews must be completed within 30 days of the March and September deadlines. Utilize the CNIC Afloat Recreation Program Internal Inspection Report for the required internal fiscal reviews. These fiscal reviews must be kept on file for three years.

b. Conduct a complete physical inventory of recreation property upon relief of the RSO.

c. Verify the reconciliation of the banking and financial records of the fund monthly.

d. Verify all transactions are properly approved by the command, receipts are properly certified and disbursements are properly made.

e. Note effectiveness of internal controls and make recommendations accordingly.

f. Report findings in writing to the CO within 10 days of verification of funds, property and records.

g. Conduct quarterly surprise cash counts for commands with petty cash, change funds and other accumulations of cash instruments.

10. Contract Review Board (CRB). Per reference (j), a CRB consists of at least three members (one of whom will be a member of the Supply Corps) and is convened for the purpose of reviewing significant NAF contracting actions. Any of the following criteria are sufficient cause for CRB review prior to execution:

a. Solicitations where the estimated value exceeds $25,000.

b. Contract awards in excess of $25,000.

c. Contract awards in excess of $10,000 to other than the low offeror.

d. Contract awards in excess of $10,000 to a sole source.

e. Contract awards with escalation provisions.

f. Modifications increasing or decreasing a contract in excess of $5,000 or 10 percent of the total contract value, whichever is greater.
g. Extension of contract delivery schedules.

h. Termination actions.

Note: Contract review need not be burdensome. In most instances review may be accomplished by chop chain routing, thereby limiting formal CRB convening to high value contracts or those with special circumstances.
CHAPTER 2
COMMANDER, NAVY INSTALLATIONS COMMAND RECREATION PROGRAM
INSPECTIONS

1. **Responsibility.** Per references (e), (k) and (l), CNIC has a fiduciary responsibility to conduct recreation program inspections on all ships designated “USS,” as well as all fully operational hospital ships.

2. **Inspectors.** CNIC Afloat Recreation Program Inspectors for Atlantic Fleet Operations and for Pacific and Asian Operations are the designated inspectors and subject matter experts for the Afloat Recreation Inspection Program. Personnel are located on the East and West Coasts and available to answer policy questions regarding Afloat Recreation Programs and Funds.

3. **Periodicity.** The CNIC Afloat Recreation Program inspectors will conduct Afloat Recreation Program inspections on the following schedule:
   
   a. Every 12 months for Afloat Recreation Funds which exceed $100,000 gross income per fiscal year (FY).
   
   b. Every 18 months for Afloat Recreation Funds under $100,000 gross income per FY.
   
   c. Every 12 months for Afloat Recreation Funds in Asia, Guam, Hawaii and Japan, as well as forward deployed units in Europe and the Mediterranean. Afloat Recreation program inspectors will cover units in the Arabian Gulf and surrounding area on a rotating basis as needed.
   
   d. Every six months for commands who fail their Afloat Recreation Program inspection.

4. **Functional Areas to be Reviewed.** The Afloat Recreation Program Inspection Reports will be the official report utilized to score functional areas of program management and execution.

5. **Afloat Recreation Program Inspection Scoring.** Per reference (m), the CNIC Afloat Recreation Program inspections will be assessed on a scale of 100 points (90-100 points, Outstanding; 75-89 points, Satisfactory; and 74 and below points, Unsatisfactory). Unauthorized expenditures will be deducted separately and count against the 100 point total. The Resale Program will be graded separately (15-20 points, Satisfactory; and 14 and below points, Unsatisfactory). Resale Program scoring does not count against the overall 100 point scoring total as not all ships are assessed in the Resale Program.

6. **Suspended Status for Unsatisfactory Inspections.** Afloat Recreation programs that fail to meet satisfactory scoring requirements in two successive inspections will be subjected to CNIC Suspended Recreation Fund status. This may affect authorization of CNIC ship grants until
minimum satisfactory scoring requirements are successfully met. The CO, ship’s Immediate
Superior in Command and Type Commander will all be notified in writing of this suspended
status.
CHAPTER 3
AFLOAT RECREATION PROGRAMMING GUIDELINES AND POLICY

1. General. Per reference (c), recreation programs are established to maintain individual and mission readiness during peacetime, war and other contingencies. To that end, these programs promote fitness and esprit de corps, a strong sense of military community and a beneficial quality of life for authorized patrons.

2. APF Support. Per references (c) and (h), the Afloat Recreation Program is a mission essential Category A activity and authorized up to 100 percent APF support (with a minimum requirement of 85 percent). As such, APF, including Operations Target monies, may be used to fund costs associated with the execution of the Afloat Recreation Program. Per reference (c), NAF expenditures for Afloat Recreation purposes are not considered an augmentation of appropriations. Some Afloat Recreation Programs, such as those listed in paragraph 9 of this chapter, are properly supported by NAF and not APF.

3. NAF Support. The primary purpose of the Afloat Recreation Program is to meet the recreational and social needs of active duty personnel. NAF generated from recreation programs or associated with recreation programs will only be used in support of recreation programs. Command programs that are not considered recreational are not authorized the use of NAF. Per reference (c), NAF are government funds which may only be used for the collective benefit of those who generated them. Individuals, units, organizations or installations will have no proprietary interest in NAF or other assets. NAF or other assets may not be transferred to private organizations.

4. Program Balance. Funds will be expended on an equitable basis in order to provide a balanced recreation program. Activities and programs which benefit the greatest number of eligible patrons should receive the greatest support. In determining the level of support for proposed programs and activities, the following criteria should be examined:

   a. Number of crewmembers who will participate.

   b. Cost per participant.

   c. Cost of the program as a percentage of the annual recreation fund budget.

5. Patron Eligibility. Uniformed Service Members stationed, assigned or embarked aboard Navy ships are entitled to participate fully in an Afloat Recreation Program.

6. Support of Non-Federal Entities (NFE), Private Organizations and Special Interest Groups. NFEs, including private organizations, are not part of the MWR program and will not directly or indirectly benefit from NAF support. Examples of NFEs that may not benefit from NAF support include, but are not limited to, Chief Petty Officer Associations, wives clubs, spouse associations, Family Readiness Groups (FRG), etc. Special Interest Groups (SIG) are
considered, and administered as, part of the MWR program. While SIGs are considered an extension of the MWR program, NAF support is limited to the degree by which the crew proportionally participates (e.g., ship running clubs, chess clubs).

7. **Examples of Afloat Recreation Programs Supported by APF**

   a. Liberty boat transportation; reference (n) is germane.

   b. Liberty bus transportation; reference (n) is germane.

   c. Leisure reading materials (both print and digital format) such as magazines, newspapers and periodicals; reference (c) is germane.

   d. Recreation property and equipment; reference (h) is germane. Note: Such items are classified as direct turnover material.

8. **Non-Recreation Programs Funded by APF**

   a. Per references (c) and (o), all hands are required to exercise regularly. APF should be used to buy physical fitness equipment, pay for related maintenance or repairs and purchase spare parts. Use of NAF is authorized when APF funding is unavailable. CNIC is the subject matter expert regarding physical fitness equipment and, as such, should be consulted prior to any purchase of fitness equipment.

   b. **Selected Ombudsman Expenses.** Per reference (p), reimbursement of ombudsman expenses with APF is encouraged when working in an approved volunteer capacity. APF should be utilized first; NAF should only be used when other funding sources are unavailable. Items to be reimbursed are limited to child care at a rate not to exceed the local rate of the MWR Child Development Center, documented mileage at government Privately Owned Vehicle Reimbursement Rate, parking and tolls (receipts required), and long distance telephone calls.

   c. Per reference (n), APF will be used to purchase organizational items, such as clothing.

   d. Furniture, fixtures, equipment and equipage listed on a Compartment Check-Off List (CCOL) will be repaired, maintained and replaced using APF. Examples of shipboard equipment which can be found on a CCOL include training and communications devices such as televisions and sound systems.

9. **Examples of Shipboard Recreation Programs Supported by NAF**

   a. Funding a subsidized recreation ticket sale program whereby tickets to recreational activities (e.g., movie theaters and amusement parks) are bought by the recreation program and resold to the crew at a discount.
b. Funding a recreational ticket rebate program whereby crewmembers are reimbursed for part or all of the cost of an approved recreational activity upon presentation of a valid receipt.

c. Subsidizing recreational tours.

d. Funding recreational events which are open to all crewmembers.

e. Funding leisure skills development classes, such as group golf lessons.

f. Providing limited support in the form of allocations for unit level programs, such as divisional parties.

g. Bingo is authorized per references (h) and (e). For overall program management refer to reference (q), Chapter 22.

h. Paying the cost of owning and operating a recreation vehicle, such as a van or bus, for use in providing transportation to approved recreational activities.

10. Liberty Buses and Water Taxis. NAF is authorized for transportation to and from an approved recreation activity, event or program when APF is unavailable.

11. Non-Recreation Expenses Funded by NAF. Cruise books or yearbooks are authorized limited support, which will not exceed 50 percent of the total publishing cost. Total publishing costs will be defined as final invoice amount received from vendor. Amounts will be equally funded for ship's crew and participating units. Marine Corps units embarked for a period greater than 30 days are authorized equal support for a unit cruise book.

12. Unit Level Programs

a. When the needs of the ship's recreation program have been met, COs may authorize a unit allocation supporting participating units within the command. The term "participating units" encompasses subdivisions of the ship's company (such as a division or a department) and embarked elements (such as mobile units, aviation squadrons, Marine Corps units and embarked staffs). Per quarter, $2.50 per person may be expended on unit or divisional allocations. Shipboard divisions and departments and embarked elements may not accumulate more than three quarters. Funds may be used by participating units for recreational activities.

b. Reference (r) states that use of Unit Allocation Funds is authorized, with some restrictions, to support reenlistment ceremonies. Provided the basic needs of the overall Afloat Recreation Program are being met, COs are authorized to make available to units participating in the Afloat Recreation Program NAF Unit Recreation Allocations at a rate of $2.50 per person per
quarter for special expenditures of a recreational nature and to support retention. COs are authorized to use any amount of these specific unit recreation allocations (i.e., from zero to $2.50 per person per quarter) to purchase emblematic, recognition and reception related items for advancement, award or reenlistment ceremonies. This does not authorize the use of NAF to purchase any uniform item or any other item that may be worn with, or as a part of, the military uniform. All unit allocations must be accounted for on a ledger detailing how the expenditure was obligated.

c. No unit may participate in more than one recreation fund at any given time.

13. Participating and Embarked Unit Support

a. References (c) and (q) implement policy and prescribed procedures for operating and managing military MWR programs. The intent is to ensure all active duty personnel (regardless of branch of service) are provided authorized MWR support. The references also provide policy and guidance for the administration and management of Afloat Recreation Programs and Funds.

b. The purpose of this instruction is to recognize the importance of quality recreation programs for all active duty personnel (regardless of branch of service) attached to deployed afloat commands and delineate responsibilities for the administration and management of Afloat Recreation Programs with embarked units attached.

c. Each ship independently administers its Afloat Recreation Fund, which is available for use by the ship’s CO as a resource for delivering quality recreation programs to attached Navy personnel and Marine Corps units during periods of embarkment. This period of embarkment is inclusive from the time of initial embarkation until debarkation. Deployment “work-up” periods of 10 days or more will be counted towards the total number of days deployed. Afloat Recreation Fund support for embarked units is the responsibility of the ship. Recreation support to attached Marine Corps units, Air Wings, Squadrons, Groups and Expeditionary Strike Group (ESG) staff units will be provided during periods of embarkment only. Flying the flag of a Marine Corps unit, Air Wing, Squadron, group or ESG does not constitute eligibility for recreation funds support. Marine Corps units, Air Wings, Squadrons, Groups and ESG staffs must be physically located on board the ship during in-port and underway periods to be eligible for any support. However, if operational commitments have precluded the fair and equitable use of funds, the embarked unit may request a unit allocation of $2.50 per person per quarter for the actual time they were embarked, not to exceed $7.50 per person upon the completion of the deployment. Additionally, these funds are required to be transferred to the embarked unit’s host command consolidated fund at the base to which they are returning. No unit may participate in more than one recreation fund at any given time. Additionally, any monies brought on board by an embarked unit prior to, or during a deployment, must be deposited into the host command’s
recreation account and be made available to the entire ship’s company. Only one recreation fund
and program may be operated at any particular command.

d. Fund Administrators may permit funds allocated to participating units to accrue during
each fiscal year. Ordinarily, unexpended balances of such accrued allocations cannot be carried
over to succeeding fiscal years. Fund Administrators may allow participating units to carry over
accrued funds in view of operational commitments that preclude the pursuit of leisure activities.

e. The ship’s CO is designated as the Recreation Fund Administrator and may not transfer
this responsibility to embarked units. The Fund Administrator will develop and administer a
Quality of Life (QOL) program, which provides maximum benefit to assigned and embarked
personnel and the most economical and appropriate use of available funds. Accordingly, ships’
COs will take the following actions:

(1) Establish and execute a well-rounded recreation program within their commands
consistent with the resources available.

(2) Assure compliance with established Navy policies, standards and guidelines, per
reference (d).

(3) Ensure Marine Corps unit, Air Wing, Squadron, Group and ESG staff representation
(proportionate to their embarked strength) in the ship’s RAB during periods of embarkment on
recommendations forwarded to the CO concerning recreation matters to include recreation fund
expenditures.

(4) Ensure Marine Corps unit, Air Wing, Squadron, Group and ESG staff representation
(with sufficient training and experience in accounting, fiscal oversight and financial
administration) are on the Fiscal Oversight Board during periods of embarkment.

(5) Ensure no recreation funds are provided solely for the exclusive use of the ship’s
personnel or any embarked Navy staff or Marine Corps units. Both Navy and embarked Marine
Corps personnel share equally in all on board QOL facilities and activities, as well as those
activities conducted ashore as approved by the ship’s CO. This may include joint use of
excursion buses, joint events and recreation activities ashore.

(6) Provide, upon request, the designated CO of an embarked Marine Corps unit, Air
Wing, Squadron, Group or ESG with a Year to Date Recreation Fund Financial statement.

f. The designated CO of an embarked Marine Corps unit, Air Wing, Squadron, Group or
ESG will:
(1) Collaterally assign a member to the ship’s RSO to serve on the shipboard recreation staff as a Marine Corps unit, Air Wing, Squadron, Group or ESG liaison.

(2) Ensure Marine Corps unit, Air Wing, Squadron, Group and ESG staff assignment and participation on the ship’s RAB and Fiscal Oversight Board.

14. **Prohibited NAF Expenditures.** Per references (c) and (q), NAF are government funds entitled to the same protection as funds of the U.S. Treasury. NAF are designated for the benefit of authorized patrons and the purposes of the Nonappropriated Fund Instrumentality (NAFI). There is an individual fiduciary responsibility for properly using NAF and preventing waste, loss or unauthorized use. Wrongful use of NAF is punishable under references (a) and (s). The examples that follow are provided for illustration and are not all inclusive. The following cannot be covered under NAF:

   a. Activities, facilities or equipment not directly related to the ship's recreation program.

   b. Recreation programs or activities in which crewmembers do not participate.

   c. Support for NFEs including private organizations such as FRGs, youth sports teams, United Service Organization (USO), Navy and Marine Corps Relief Society (NMCRS), United Way, Navy League, Combined Federal Campaign, Scouting programs, adopt-a-school programs, spouse associations and similar organizations. Per reference (t), FRGs are defined and administered as a private organization and as such are not authorized NAF support.

   d. Payment of customs fees for property not belonging to the recreation program.

   e. Funding receptions or activities held in conjunction with official military or government functions such as change of command, commissioning, christening and decommissioning ceremonies.

   f. Repair or replacement of integral ship's equipment, such as items found on a Coordinated Shipboard Allowance List, CCOL or Controlled Equipage List.

   g. Payments to military personnel, individually or collectively, for competing in a sporting event. However, it is possible for military personnel to enter into a non-personal services contract with the Afloat Recreation Fund to provide officiating services per reference (j).

   h. Space renovation, repair or decoration.

   i. Purchase of furniture, fixtures or equipment related to habitability.
j. The purchase, maintenance or repair of self-service laundry equipment.

k. Personal loans or grants. The only exception to this is for American Red Cross (AMCROSS) emergency loans. Reference (u) authorizes ships without a designated NMCRS representative aboard to make AMCROSS-validated emergency travel loans. Subject loans can only cover the cost of traveling from the Continental United States (CONUS) point of arrival to the final destination and departure from the final destination to the CONUS point of departure to the ship. Commands are required to submit such loans to NMCRS for full reimbursement. Commands with NMCRS representatives on board who are empowered to make loans on behalf of NMCRS cannot make personal loans from the recreation fund for such purposes. Loan disbursements are recorded as cash outflows. Loan repayments are recorded as cash inflows (note: personal loans other than those validated by AMCROSS and sanctioned by NMCRS are not authorized).

l. Grants or loans to organizations.

m. Religious programs.

n. Purchase of gifts or recognition awards (for visitors or crewmembers) on occasions such as reporting aboard, detaching from the command, reenlistment, retirement, advancement, etc.

o. Purchase of flowers.

p. Non-recreation transportation expenses to include liberty buses, water taxis, vehicle rental, ferry tolls, airfare and base shuttles. A ship’s recreation van will not be used for other than recreation activities.

q. Provide health and comfort or personal clothing items.

r. Reimburse Sailors for any out of pocket expenses for hotel rooms and related services facilitated with the assistance of the Afloat Recreation Fund incurred when the ship, for whatever reason, fails to make a scheduled port visit or must leave port earlier than anticipated.

s. Subsidization of recycling programs.

t. Purchase, rental or repair of vending machines operated by the ship’s store.

u. Purchase of ship’s store excess inventory.

v. Payments to the ship’s store for the purpose of canceling operating deficits.
w. To defray general and administrative expenses (e.g., salaries, equipment, supplies, travel, etc.) associated with support of Navy General Library and Library Multimedia Resource Center. NAF level support of libraries and Library Multimedia Resource Centers is limited to the procurement of library materials (print and non-print). Library or recreational computers must meet Space and Naval Warfare Systems Command specifications.

x. Public affairs endeavors.

y. Payment of meal surcharges.

z. Per reference (v), satellite, cable television or direct television hardware. Defense Media Activity (consolidated Naval Media Center) will be contacted to get permission to install any receiving systems aboard ships. NAF may be used for reception fees or special event viewing (e.g. Super Bowl or Ultimate Fighting Championship events). The same will apply for any recreational internet use aboard U.S. Navy ships. The Afloat Recreation Fund will not be used to install hardware or receiving communication devices, to include Wi-Fi antennas and associated devices. The Afloat Recreation Fund may pay the monthly service fees but may not charge for internet services.

aa. Supporting civil affairs projects.

bb. Paying personal communications expenses.

cc. Paying for telephone “care lines” or toll-free numbers.

dd. Purchase of physical fitness clothing.

e. Any and all prohibited expenses listed in reference (q).

ff. The rental of commercial storage units without previous approval from CNIC (N921). If approved, units may be rented on a temporary basis only.

gg. Emblematic, recognition and reception related items for advancement, award or reenlistment ceremonies that exceed the reference (r) authorization of $2.50 per person per quarter of unit allocation funding.

hh. Per reference (w), welcome aboard ball caps, unit patches and any other items that may be worn with, or as part of, the military uniform.

ii. Any food or beverage purchased for non-recreation events or programs.
jj. Educational programs.

kk. Cultural Awareness Month Celebrations, presentations or functions.

ll. Child care for any event or program.

mm. Feeding of the crew at any time other than during an official recreation program; under no circumstances is the Afloat Recreation Fund authorized to fund an official ship’s meal.

nn. Hosting events in which Official Representation Funds should be used.

oo. Support of pre-deployment briefings or similar events.

pp. Support of Community Relations events, to include Friends and Family Day Cruises and Tiger Cruises.

15. **Special Interest Item: Copyrighted Sound and Video Recordings**

   a. Per references (v) and (x), Navy policy does not condone, facilitate or permit unlicensed public performance or unlawful reproduction for private or personal use of copyrighted sound or video recordings using government APF or NAF owned or leased equipment or facilities. The Navy recognizes the rights of copyright owners by establishing specific guidelines for the use of copyrighted works.

   b. Within the Department of the Navy, displays or performances aboard ships are not considered “public” provided the performances or displays are made without any purpose of direct or indirect commercial advantage and without charge to the recipients.

16. **Installation MWR Support**. Every effort should be made to ensure that shipboard personnel have the opportunity to participate in MWR programs when in port. The base MWR staff should liaison frequently with ship recreation personnel to ensure that every effort is made to make Fleet Sailors aware of MWR opportunities, both on and off base. On-base activities such as fitness, All-Navy Sports, intramural sports, parties, contests, intra-ship competitions and other activities structured to meet the special needs of Fleet Sailors should be emphasized. Off-base activities could include local tours, entertainment, sports, concert events, outdoor recreation, water sports, etc.

17. **Navy Entertainment**. The Navy Entertainment Program is the sole contact pertaining to professional entertainment for deployed Navy units (underway, forward deployed units and forward operating bases). The Navy Entertainment Program will, if appropriate, partner or route existing tours with other entertainment outlets (USO and Armed Forces Entertainment) to serve
the needs of deployed and forward deployed Navy personnel. All inquiries for entertainment visits or shows must be routed through the Navy Entertainment Coordinator.

18. **Navy General Library Program.** The Navy General Library Program outfits all new ships and submarines with a new library, provides paperback books to the fleet (and other library materials if supplemental funding is provided) and promulgates guidance on the operation of afloat libraries, to include disposal of all library equipment and materials.

19. **Navy Motion Picture Services.** Per references (q) and (y), Navy Motion Picture Services (NMPS) procures and distributes entertainment motion pictures and related equipment to both shore and afloat units with the Navy, Marine Corps and Coast Guard, as well as Military Sealift Command ships, designated National Oceanic and Atmospheric Administration ships, State Department Foreign Service Posts and various other units. Entertainment motion pictures are leased rather than purchased and, as such, lease agreements contain specific provisions governing the use of the media with regard to viewing locations and patron eligibility. Program management for film entertainment in the Navy lies solely with NMPS; commands and individuals are prohibited from using APF or NAF, contacting or negotiating with any commercial source for the purpose of procuring entertainment motion picture products. All entertainment motion pictures distributed by NMPS are copyrighted properties licensed only for public performance and cannot be duplicated, edited or loaned for private use.
CHAPTER 4
FINANCIAL MANAGEMENT AND ADMINISTRATION

1. Establishment of an Afloat Recreation Fund

   a. Ships may request establishment of their Afloat Recreation Fund once the ship has been designated with a Unit Identification Code (UIC).

   b. Prior to the ship’s Afloat Recreation Fund being established, the CO must designate in writing a RSO and RFC, both of whom must attend CNIC’s Afloat Recreation Program Management Course.

   c. At the time the ship’s Afloat Recreation Fund is established, CNIC will authorize the command to receive grants or loans (per guidelines in Chapter 5, paragraphs 3 and 4) and establish a checking and savings account as a shipboard NAF activity under the Fleet Employee Identification Number (EIN). The Internal Revenue Service has issued a single EIN number (62-1744056) for use by all Navy commands designated “USS.” Subject number may only be used for ships’ recreation funds. Use by other entities is both prohibited and unlawful under references (z) and (aa).

2. Financial Successor. CNIC Fleet and Family Readiness is the Financial Successor-in-Interest for all Navy MWR NAFI programs. As such, CNIC is responsible for the financial integrity of its subordinate NAF accounts. Upon the disestablishment of an Afloat Recreation Fund, CNIC acts as executor in liquidating assets and liabilities. All vessels operating an Afloat Recreation Fund must issue a letter acknowledging CNIC as the Financial Successor-in-Interest to the Afloat Recreation Fund. The letter should read “[USS (Hull-No.)] designates Commander, Navy Installations Command (N9), 5720 Integrity Drive, Millington, TN 38055 as the Successor-in-Interest to the “United States Ship” Recreation Fund Account #____________.”

3. Accounting Principles. Accounting for Afloat Recreation Funds will be accomplished using the guidelines set forth in reference (ab). Ships’ recreation funds use a uniform cash basis of accounting where only those transactions involving cash are recorded in the books of account. These procedures represent a single entry cash basis system of accounting and prescribe statements and reports which will reflect the financial condition of the fund.

4. Budgeting and Management

   a. Budgeting consists of establishing specific future goals and periodically measuring actual results against the planned objectives. A budget is a formal written statement of plans for the future that have been expressed in financial terms. A budget charts the course for future action and should contain sound and attainable objectives based on a realistic plan of operations.
All Afloat Recreation Fund programs are required to have a comprehensive working budget. The budget should take into account the following:

1. Projected ship’s store profits or emblematic sales net profit.
2. All large command events such as holiday parties, summer picnics, etc.
3. Underway period and extended deployment programs and activities.
4. Tours, sports and intramural expenses.

b. Commands should monitor all program expenses to ensure all are within established budget guidelines. Once per quarter the RFC will conduct a re-budget to evaluate spending and ensure the command is operating within its financial plan.

c. Data required by the End of Fiscal Year Recreation Fund Financial Statements serve as the basis for budget development and execution. The End of Fiscal Year Recreation Fund Financial Statement also serves as the basis for the monthly Statement of Operations to which budget execution is measured.

5. Banking Insurance. Reference (b) stipulates that all NAF accounts be insured by the Federal Savings and Loan Insurance Corporation (FSLIC), by the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) or backed by the U.S. Government. These accounts are insured up to $100,000 in any one institution. The RFC must ensure no more than $100,000 of NAF is on deposit in any given banking institution. Any amount above that may not be protected by FDIC insurance. Afloat Recreation Fund checking and savings accounts must be interest bearing. Aircraft carriers must bank with the CNIC central banking system.

6. Taxes

a. The legal status of a Navy MWR NAFI is that of an instrumentality of the Federal Government and should participate in whatever immunities such status may derive under the Constitution and Federal Statutes.

b. Instrumentalities of the United States Government are not subject to direct taxation by state or local taxing authorities, except when authorized by Federal statute. The initiation of inquiries or replies to state or local officials on matters pertaining to taxation will be cleared via the chain of command with CNIC (N92)

7. Checking and Saving Accounts. The primary purpose of establishing a checking account is to deposit cash and make disbursements by check. Checks should be printed as follows:
The primary purpose in establishing a savings account is to earn interest on funds in excess of those needed for short-term requirements. Accounts may be opened with either banks or credit unions provided that they are covered under the FDIC, FSLIC or NCUA. Large ships with an average balance exceeding $100,000 in their recreation fund and aircraft carriers in a pre-commissioning status receiving CNIC funds will participate in the CNIC (N948) Centralized Banking System. A Fiscal Oversight Board Member and RFC will balance checking and savings accounts on a monthly basis.

8. Navy Cash Program (for ships with a ship’s store). All ships with a ship’s store are required to use the Navy Cash Program. The point of contact (POC) is either the Disbursing Officer (DISBO) or the Assistant Supply Officer (ASUPPO). It is important to know the basic elements of the program and who to contact. The information in paragraphs 8a through 8f is provided as a quick guide; http://fms.treas.gov/navycash/training.html contains the current SOP for the Navy Cash Program.

a. The Afloat Recreation Fund is issued a Navy Cash Card to conduct business on and off the ship. The card must be safeguarded along with recreation fund checks. It is strongly recommended the Navy Cash Card not leave the safe (controlled locking receptacle) until it is needed in order to prevent accidental use. The card’s purpose is to manage the Afloat Recreation Fund program and it has two important functions, which include the strip and the chip:

(1) Funds may be placed on the strip to conduct business off the ship, the same way you would use a debit card. Using the shipboard automatic teller machine, also known as K80, funds may be placed on the strip to pay for trips, tours or prizes at a local business, in the homeport or while on deployment.

(2) Funds may be placed on the chip to conduct recreation fund business on the ship only. Chip-to-chip transfers allow the RFC to transfer funds as needed to the recreation fund bank account at the homeport or to CNIC for aircraft carriers via the K80. The RFC may also use the chip to conduct chip-to-chip transfers between the Afloat Recreation Fund and Sailors for refunds or bingo winnings.

(3) The chip and the strip are not intended to be used for cash storage. Funds on the chip or strip do not accrue interest; therefore, when there is no program in which funds are required, the RFC must transfer it back to the home bank account.

b. The K80 is a tool which facilitates many transactions in the Navy Cash Program, including the following:

(1) Move money on to a Navy Cash Card Strip or Chip.
(2) Transfer funds from a home bank account to the Navy Cash Card.

(3) Transfer funds from the Navy Cash Card to the home bank account.

(4) Transfer bingo winnings or other recreation funds to patron transfers via a chip-to-chip transfer.

c. Depending on the ship size, the Recreation Fund will be issued a K22 Point of Sale Device to conduct sales of trips, tours or tickets for command events (holiday parties, balls or similar events).

(1) The Afloat Recreation Fund will sometimes facilitate the securing of hotel rooms for Sailors in advance of arrival at scheduled liberty ports. However, while the Recreation Fund facilitates the transaction, it is not an agent for the hotel, a fact and distinction that must be made clear to Sailors. Sailors should be specifically informed that, should the ship not reach port for any reason, rendering Sailors unable to use their rented rooms, the Afloat Recreation Fund is not responsible and its funds and will not be used to reimburse the Sailors for any out of pocket expenses incurred as a result. This is a private commercial transaction between the Sailors and the hotel.

(2) The Afloat Recreation Fund must keep a written log of each transaction. At the conclusion of each business day, the RFC must go to the DISBO or ASUPPO (depending on the command) and download the transaction information into Navy Cash. Once the data is downloaded, the RFC will request a copy of the Daily Activity Report. This information must then be recorded on the Receipt and Expenditure Log. If the K22 malfunctions or is broken, the DISBO or the ASSUPO must be informed and requested to submit a trouble ticket to the external Navy Cash Technical Representative for assistance.

d. The Navy Cash Daily Transaction Report provides the recreation fund with details of the day’s business activity. Additionally, the monthly report provided is a valuable tool in reconciling the monthly financial records of the fund. If these reports are not automatically provided, a formal request for a report should be made to the Command Navy Cash POC (usually the DISBO or ASUPPO). A copy of this report is a required part of each month’s financial records.

e. The Navy Cash Card Report details all business conducted using the Navy Cash Card Chip and Strip. This required report can be found online at the following address: http://www.navycash.com. A security login is required. Once on the website, the cursor must be placed on the top bar listing the monthly information available; highlight the month desired ensuring both the Chip and Strip boxes are selected, and then click print. This information is used to validate information on the receipt and expenditure log. A copy of this report is a required part of each month’s financial records.
f. Navy Cash Coordination. The Navy Cash Program is reviewed and improved on a regular basis. To ensure the Afloat Recreation Fund Program has the latest information, it is necessary to maintain a positive dialogue with the command DISBO or ASUPPO.

9. **Change Funds and Petty Cash**

   a. The change fund’s purpose is to make change for financial transactions, such as the sale of tickets or tours. Change funds will be maintained in minimum amounts consistent with the needs of the Afloat Recreation Fund. Change funds cannot be used to make refunds or cash personal checks. The CO will authorize all change funds. The RFC will issue change funds and obtain a signed receipt in duplicate. When the change fund is relinquished, then the duplicate receipt is returned.

   b. Purchases using ship’s recreation funds are normally made with purchase orders and paid by check. Petty cash funds provide an expedient method of making small cash purchases in situations where the use of a purchase order is impractical. Note that recreation funds are not required to establish petty cash accounts. No single transaction from the fund may exceed $150; splitting purchases to circumvent this requirement is prohibited. Each expenditure from the petty cash fund will be validated by a receipt and described in detail on a sequentially numbered NAVCOMPT Form 743, Petty Cash Voucher. The amount of cash on hand plus the total of the authorized paid petty cash vouchers must always equal the amount shown in the petty cash fund account. A log of petty cash expenditures will be maintained with data recorded under the following columns: date, voucher number, financial statement account number, description, amount and running balance. The Afloat Recreation Fund will be replenished on a monthly basis by check.

   c. Quarterly surprise cash counts will be conducted on all petty cash funds and all change funds. A dated and signed certification of the cash counted will be kept on file for three years to attest to the fact that this requirement was accomplished.

10. **Handling Cash Receipts**

    a. Custodians of cash will be furnished with locked receptacles for the safekeeping of their funds and they will be the only persons with access to such funds.

    b. Commingling of monies, such as personal funds and change funds, is prohibited. Classified materials or personal property may not be kept in cash storage receptacles.

    c. Cash receipts should be deposited whenever the total amount exceeds $100. If the ship is at sea, the cash should be converted into a money order or government check from the Disbursing Office and mailed to the Afloat Recreation Fund’s bank or credit union. For ships with Navy Cash, all funds will be transferred to home bank accounts.

11. **Use of Cash Registers or Sales Tickets**
a. Cash registers will be used if available and practical. Each transaction will be recorded in view of the customer. Someone other than the cashier must be assigned to record register readings. The tape should be removed from the register and attached to the NAVCOMPT Form 2211, Daily Activity Record (DAR).

b. Where cash registers are not available, the cashier should be furnished a cash drawer or metal cash box. Sales must be recorded on sequentially numbered three-part sales tickets. The original copy of the sales tickets will be attached to the DAR as supporting documentation.

12. **Daily Activity Record (DAR).** Subject form is used to record all sales income on each business day (or for commands with minimal sales, when sales reach $100) and, when used properly, creates a built-in internal control system. The person making sales completes the form (in ink) and presents the day’s receipts and the DAR to the person designated to receive the cash, usually the RFC.

13. **Cash Security**

a. **Storage of Cash.** Cash on hand will be kept in locked receptacles and cash receipts must be physically segregated from petty cash and change funds. Classified material or personal property will not be kept in safes with cash. Cash receipts are for deposit only and will not be used for any other transaction.

b. **Custody of Cash Funds.** Persons entrusted with cash will obtain signed receipts for funds turned over to other persons. Custodians of cash will be furnished with locked receptacles for the safekeeping of the funds and they will be the only persons with access to such funds.

14. **Financial Records**

a. **Receipt and Expenditure Log** is a locally-generated document used to record all cash inflows (such as cash or checks received (receipts)) and all cash outflows (such as payments and disbursements (expenditures)).

b. **Monthly Statement of Operations and Net Worth** is a locally-generated document used to provide a recapitulation of receipts and expenditures for a particular month. This document serves two purposes:

   (1) Report cash inflows and outflows for the month.

   (2) Report cash inflows and outflows for the month to date.

c. Ships with Navy Cash must ensure that a monthly Navy Cash Card Statement and Navy Cash DAR are reconciled monthly with the receipt and expenditure log.

d. Bank statements are considered part of the required monthly financial records and must be reconciled against receipt and expenditure log and Navy Cash records.
e. Receipts, invoices and purchase orders must be kept on file and used to validate all transactions recorded on the receipt and expenditure log.

15. **Financial Reports.** Completion of the End of Fiscal Year Recreation Fund Financial Statement (CNIC Form 7010/1) is required. Per reference (ab), the previous fiscal year report is to be submitted no later than 1 December of the new fiscal year, upon disestablishment of the recreation fund or as otherwise directed on an interim basis.

16. **Prompt Payment Act.** Per reference (g), Federal agencies are required to make interest payments to contractors for late payment of a vendor’s proper invoice. Afloat Recreation Funds must report to CNIC any interest or penalties paid vendors or lending agencies. Negative replies not required.

17. **Private Organizations.** Per reference (c), private organizations are self-sustaining non-Federal entities (incorporated or unincorporated) that may be operating on Department of Defense installations with the written consent of the commander or higher authority and administered by individuals acting exclusively outside the scope of any official capacity as officers, employees or agents of the Federal Government. There will be no financial assistance to a private organization from a NAFI in the form of contributions, repairs, services, dividends or other donations of money or other assets. Private organizations are characterized by limited membership (e.g., First Class Petty Officers’ Association). Per reference (c), the U.S. Navy is not responsible for any liability claims associated with a private organization affiliated with any individual Navy command.

18. **Special Interest Groups (SIG).** Unlike private organizations, which are not MWR organizations, SIGs are part of the MWR Program. These MWR programs are more specialized, appeal to a limited audience, and are, for the most part, supported through user fees. Per reference (c), a rod and gun club is an example of a SIG. As part of the MWR program, participation is open to all authorized MWR patrons (i.e., participants in the command’s Afloat Recreation Program). SIGs do not maintain their own bank accounts; financial administration and accounting/bookkeeping is provided by the command Afloat Recreation Program. SIGs must generally be financially self-sufficient. Insurance requirements for SIGs are addressed in reference (ac).

19. **Disestablishment of Afloat Recreation Funds**

   a. When a ship or submarine disestablishes its recreation fund, it will be accomplished according to the policy and procedures outlined in this section. The Fund Administrator is responsible for ensuring an orderly and proper disestablishment process.

   b. Policy and steps in liquidation of assets supporting NAF activities will be used judiciously so these resources are available for future use in support of Navy-wide recreation requirements. Wasteful expenditures designed to reduce funds and other assets to a zero balance.
are prohibited prior to disestablishment. The CO will avoid extravagant expenditures and
dissipation of assets of NAF activities being disestablished and will ensure proper redistribution
of equipment. The following procedures are intended to prevent the occurrence of claims and
adjustments subsequent to disestablishment of NAF activities. These procedures are applicable
to Type Commanders (TYCOM) and COs of afloat commands.

c. Actions required by ships:

(1) Custody of furniture, furnishings and equipment purchased with APF will be
returned to the Supply Department.

(2) The CO will appoint a board of not less than three officers to inventory all recreation
property purchased with NAF. This board will identify all material deemed unfit for
redistribution.

(3) Unserviceable material will be disposed of as set forth in this basic instruction. The
board will also list recreation material suitable for redistribution and will indicate the quantity,
description and condition of all such items.

(4) The inventory of material for redistribution will be forwarded to the cognizant
authority, with a copy provided to CNIC (N921).

(5) With the exception of recreation and rental automotive vehicles, the cognizant
authority will effect redistribution within their area or to other commands as feasible.

(6) Redistribution of recreation automotive vehicles will be effected by the Fleet
Commander. Any such vehicles purchased with NAF will be disposed of per reference (q). Any
vehicles which cannot be redistributed in this manner will be reported to CNIC (N921) for
disposal instructions.

(7) All purchase orders will be adjudicated in a timely manner. No outstanding
purchase orders will be redirected to other activities.

(8) Survey all unsalable resale merchandise on hand and report merchandise to the
TYCOM. Redistribute all unsold merchandise in salable condition to other activities as directed
by the TYCOM.

(9) Consult cognizant contracting officer. Contact all creditors 60 days prior to
decommissioning date or as otherwise specified under existing contracts to ensure there are no
outstanding liabilities upon disestablishment. If obligations cannot be liquidated before
disestablishment, commands should issue money orders to creditors for payment.

(10) Draft checks or obtain postal money orders for remaining recreation funds payable
to CNIC. Residual recreation funds will not be transferred to another ship or station.
(11) Instruct the financial institution holding the ship’s recreation funds on deposit to forward the final checking statement and any bank balance (made payable to CNIC) remaining six months after disestablishment of the Afloat Recreation Fund to CNIC (N9).

(12) Prepare a letter to CNIC (N9), with a copy to the appropriate TYCOM, which will include:

(a) A statement that all procedures listed above have been taken.

(b) The location of the Federal Records Center where recreation fund records are stored.

(c) The following enclosures:

1. Reviewed copy of the final CNIC Form 7010/1 with final validation by one of the following: CNIC Afloat Recreation Inspector, local Deployed Forces Support Office Program Manager or CNIC (N948A).

2. Check or postal money order payable to CNIC for the remaining recreation funds, after the balance has been recorded, to satisfy outstanding invoices or purchase orders.

   d. TYCOMs will ensure ships comply with Chapter 4, paragraph 19a.

   e. The Afloat Recreation Fund financial records and related correspondence will be forwarded to the nearest Federal Records Center per references (ad) and (ae).
CHAPTER 5
AFLOAT RECREATION PROGRAM RESALE OPERATIONS AND FUNDING SOURCES

1. Purpose. The purpose of this chapter is to provide policy guidance and procedural
information regarding operating a resale program in order to support a ship’s recreation program. This chapter also provides guidance on identifying additional funding sources. Resale activities aboard Navy vessels and installations are regulated and controlled activities that can only be conducted by those who have been granted specific authority to do so. The Naval Supply System Command’s Ship Store Program has exclusive resale rights aboard Navy vessels. When a Navy vessel (including pre-commissioned units (PCU)) has an operating ship store, Afloat Recreation Programs may not conduct resale activity. Resale activities of Afloat Recreation Programs are Category C MWR Program activities pursuant to the provisions of reference (c), enclosure (5), paragraph 3c(1). United States Ships (USS) which do not have a ship’s store are authorized to have a MWR Afloat Recreation resale program per reference (c). PCUs may operate a resale operation prior to establishment of their ship’s store.

2. Resale Operations. A ship’s store is the primary provider of resale operations. Per reference (ff), ships having an operating ship’s store on board are prohibited from conducting Afloat Recreation resale operations. Net income generated from a ship’s store is a funding source for the Afloat Recreation Program. An Afloat Recreation Resale Program is only authorized on ships without a ship’s store, per reference (c). Shipboard resale operations that are a part of, and operated by, the Afloat Recreation Program are not required to purchase and maintain commercial liability insurance.

   a. With regard to conducting resale operations, afloat commands must comply with all guidelines and policies set forth by the host shore command. Furthermore, afloat commands must comply with all state and local laws and regulations regarding resale operations. Resale operations may only be held on board the ship and may not be conducted via mail or through the internet. Public advertising and promotion of the operation is prohibited.

   b. Afloat Recreation resale operations may not operate a food resale operation other than items listed in paragraphs 2c(2) through 2c(5).

   c. Resale operations may sell the below-listed items. Items (2) through (5) can be marked-up between 15 and 35 percent.

      (1) Emblematic items such as ball caps, plaques, coffee cups, patches, t-shirts, decalcomania, etc. Such items can be imprinted only with the emblem or logo of the resale operation’s command and no others. These items must be marked up at a minimum of 15 percent.
(2) Non-alcoholic beverages.

(3) Donuts and other pastries prepared by a licensed food service facility.

(4) Commercially prepared and packaged snack items.

(5) Commercially prepared and packaged sandwiches.

d. Per reference (c), the following authorized patrons may buy merchandise from the Afloat resale operation. Sales are limited to the confines of the authorized sales area. Uniform insignia items will not be sold to non-military customers.

(1) Ship’s company, embarked personnel and official passengers.

(2) Visiting active duty and Reserve members.

(3) Persons authorized by the CO per reference (c).

e. The following personnel can provide guidance and direction regarding resale operations:

(1) Command Supply Corps Officers.

(2) Local Deployed Forces Support (DFS) offices.

(3) Head, DFS Program CNIC (N921).

(4) CNIC DFS Program Managers.

f. No group or individual will have a proprietary interest in the Afloat resale operation.

g. Organization and separation of functions is a key component of internal controls and includes separation of purchasing, receiving and payment functions. As such, at least three persons are required to conduct Afloat Recreation resale operations:

(1) The Purchasing Agent (usually the RSO) places orders for merchandise and prepares purchase orders.

(2) The Receiving Agent (usually a member of the Supply Department) receives the merchandise, determines if it matches the purchase order, and safeguards the inventory.

(3) The Accounts Payable Agent (usually the RFC) pays the bills after establishing their receipt and accuracy.

g. The Procurement Cycle
(1) The Purchasing Agent processes a five-part purchase order (NAVCOMPT Form 2213 Purchase Order or DD Form 1155 Order for Supplies or Services) and sends the original document (part 1) to the vendor. The Purchasing Agent retains part 5 on file. Parts 3 and 4 are sent to the Receiving Agent. In a larger operation, part 2 is sent to a bookkeeper; Afloat Recreation resale operations are not required to have bookkeepers so part 2 may be retained or disposed of as desired.

(2) The Receiving Agent receives two copies of the purchase order and places it in an "open order" file. When the order arrives, the Receiving Agent determines if it has the correct items in the correct quantities. Discrepancies should be reported to the Purchasing Agent for rectification. Both copies of the purchase order are annotated in the spaces provided. Part 3 of the purchase order and the dealer's invoice are forwarded to the Accounts Payable Agent. Part 4 of the purchase order is retained on file by the Receiving Agent.

(3) The Accounts Payable Agent receives the invoice and part 3 of the purchase order from the Receiving Agent and pays same. Partial payments are authorized.

h. Control of Merchandise and Stock Records

(1) All resale items will be securely stored to prevent loss. Direct access to the merchandise will be limited to the Resale Property Custodian.

(2) NAVCOMPT Form 742-1, Stock Record, (or a locally-generated form) may be used to record the receipt and issue of each line item of merchandise.

i. Sales Operations

(1) A sales schedule should be established (e.g., sales may be held on the mess decks during the noon meal each Monday through Thursday).

(2) The RFC will issue a change fund to the Resale Property Custodian. Subject change fund should be issued in a minimally sufficient amount to meet the needs of the operation. The change fund may not be used to cash personal or government checks, nor may personal checks be written for more than the amount of purchase.

(3) The Resale Property Custodian may temporarily issue merchandise to sales staff for the purpose of selling same.

(4) Each day's sales will be recorded using a NAVCOMPT Form 2211, Daily Activity Record, or, for commands with minimal sales, when sales reach $100. Cash and inventory will be reconciled; discrepancies will be noted and reported to the RSO for resolution.

(5) Cash receipts will be turned into the RFC each business day.
(6) When homeported, the RFC will deposit receipts at least bi-weekly, or whenever accumulated receipts exceed the authorized change fund by $100. When underway, monies should be deposited with the DISBO and a check issued to be mailed back to the appropriate banking institution. Cash on-hand will not exceed $100.

j. **Inventory Management**

(1) Merchandise will be reconciled using the periodic inventory system in which a physical count of the items is taken to determine the cost of goods sold. Subject inventory will be taken monthly. NAVCOMPT Form 2215, Inventory Record, may be used for the purpose.

(2) All merchandise will be valued at cost which is defined as the purchase price plus freight charges less discounts.

(3) Ending inventories are valued on the first-in-first-out (FIFO) basis. In FIFO, merchandise is valued at the earliest invoice cost at which the items were placed in stock. Quantities on hand are considered to be those items most recently purchased.

(4) A monthly report to the CO will be made which details beginning inventory valuation, ending inventory valuation, inventory reconciliation, receipts and expenditures.

3. **Grant Programs.** CNIC (N9) provides NAF Recreation Grants and interest free loans to ships in support of their recreation programs. All afloat commands will contact CNIC (N94) in order to apply for grants and loans, set up escrow accounts, etc. Initial guidance may be obtained at the installation or Region level MWR DFS Offices.

a. **Pre-commissioning Grants.** Pre-commissioning grants are available to ships 18 months prior to commissioning. This program provides recreation funding for the nucleus crew working at the construction site and is based on the number of personnel on board on the last day of each month. Personnel assigned to the command but not physically present at the construction site (e.g., personnel attending training at distant locations) will not be included in determining the number of personnel for the purposes of this grant. Active duty personnel participate in the composite recreation fund at which they are located. The amount of the grant is $2.50 per person, per month and will be prorated accordingly.

b. **Commissioning Grants.** Subject monies are provided to United States Ships vice aviation squadrons and mobile units, which are not designated as Afloat Recreation Funds. Grants are provided within 60 days of commissioning. The per capita sliding scale is available from CNIC (N94 or N921).

c. **Grants for Ships without Ship’s Stores.** Commissioned ships, submarines and rotating ship crews that do not have a ship’s store as part of their integral design are eligible to receive
this grant. The amount of the grant is $50 per person per year. The actual number of
crewmembers on board the vessel at the end of the fiscal year will be used.

d. Aircraft Carrier Pre-shipyard Escrow Account. It is recommended and authorized that
aircraft carriers establish an escrow account prior to major shipyard availabilities. The monies
will then be available for the ship’s Afloat Recreation MWR program to use throughout the
shipyard period. The shipyard period must be longer than 18 months. The escrow account will
be held by CNIC (N94) and the account may be opened as soon as the long-term shipyard
availability is scheduled.

e. Ship’s Store Closure Grant

(1) This grant is available to ships whose integral design includes a ship’s store,
dedicated space operated by a designated Ship’s Servicemen). Units which receive grants for
ships without ship’s stores may not receive a ship’s store closure grant.

(2) For non-aircraft carriers to be eligible, the ship’s store must be closed for at least 30
days.

(3) The grant request should identify the closing and reopening dates, number of days of
closure and actual number of crewmembers on board the ship during the period of closure. The
request must be submitted within 30 days following the closure period. The request is to be
submitted quarterly up to the closure date. The amount of the grant is $12.50 per person, per
quarter, and will be prorated accordingly.

(4) For aircraft carriers to receive a Ship Store Closure Grant, their ship’s store must be
closed for at least one year. Aircraft carriers will be granted $100,000 at the end of the first year
of closure and $100,000 at the end of every subsequent year that the ship’s store remains closed.

f. Interest Free Loans. Because ships may not borrow money from commercial sources,
interest free loans for recreation (e.g. recreational vans) are available from CNIC (N94). Long-
term collateralized loans will be approved for ships which may begin repayment upon receipt of
the next distribution of their ship’s store profits. Short-term loans, which must be repaid in six to
eight months, are available for deploying units which may be short of cash at the beginning of a
deployment but will receive substantial ship’s store profits at the end of the deployment. Short-
term loans may be requested to subsidize tours and other Afloat Recreation Program functions.

4. Special Interest Resale Items. PCUs or ships will establish their Afloat Recreation Fund per
Chapter 4, paragraphs 1a through 1c and are eligible for short-term interest free loans because
ships may not borrow money from commercial sources. Interest free loans for recreation and
start-up costs for emblematic resale operations are available from CNIC (N94). These loans will
be repaid in six to eight months or sooner. Guidance for PCUs can be provided by CNIC
(N921).
a. Ships that will have a ship’s store following commissioning will cease operating an Afloat Recreation resale operation. The Afloat Recreation Fund will, from that point forward, receive a percentage of ship’s store profits via the command’s Supply Department.

b. Ships, submarines and rotating ship crews that will not have a ship’s store following commissioning will continue to operate an emblematic resale operation.

5. **Prohibited Fund Raising.** The Standards of Conduct and Joint Ethics Regulations prohibit raffles, lotteries and other forms of gambling on government owned, leased or controlled property. Gambling activities include lotteries, pools and games of chance for money or property. Any exceptions must be approved by the Secretary of the Navy.

6. **Alcohol Sales.** Except as specifically authorized in reference (ag), sale, purchase, possession and consumption of alcoholic beverages within any military installation or vessel under Naval jurisdiction is prohibited. Afloat Recreation and Fitness Specialists are prohibited from engaging in resale activity or the serving of alcohol.

7. **Commercial Sponsorship and Gift Acceptance.** Afloat commands are prohibited from soliciting, or entertaining unsolicited, commercial sponsorship proposals. However, installation MWR activities are authorized to solicit and accept commercial sponsorship support from which ships may benefit. Offers of gifts are not considered commercial sponsorship. All offers of gifts must be processed per reference (ah).
CHAPTER 6
PROCUREMENT, PROPERTY MANAGEMENT AND PROPERTY DISPOSITION

1. Definitions

a. **Contract:** All types of agreements for the procurement, sale or disposition of merchandise, supplies, services or equipment.

b. **Contracting:** Purchasing, renting, leasing or otherwise obtaining supplies or services.

c. **Afloat Recreation Non-expendable Property:** NAF property which has a useful life exceeding two years and a unit cost greater than $300.

d. **Afloat Recreation Expendable Property:** NAF property which has a useful life less than two years or unit cost of less than $300.

e. **Foreign Goods:** Goods produced or manufactured in a foreign country and physically located OCONUS, its possessions or Puerto Rico; or in bonded warehouses or a foreign trade zone within the United States, its possessions or Puerto Rico.

f. **Purchase Order:** Document used to buy supplies, services, materials and equipment from commercial sources.

g. **Debit Cards and Navy Cash Cards:** Cards used to purchase supplies, reserve hotel rooms and secure tour reservations.

h. **Purchasing Agent:** Person (ordinarily the RSO) designated by the CO to process purchase orders, conduct petty cash purchases and execute approved contracts.

i. **Receiving Agent:** Individual (usually member of the Supply Department) designated by the CO to receive goods and verify performance of services.

2. Appropriated Fund Property Management Cycle

a. Supply Department personnel will procure all goods and services funded with APF. However, Afloat Recreation Program personnel must work closely with the Supply Department to properly identify requirements necessary to ensure that the goods and services obtained meet the specific needs of the Afloat Recreation Program.

b. APF will not be used to purchase resale merchandise used or sold by the Afloat Recreation Fund.
c. Sources of supply will be determined by Supply Department personnel; recommended sources of supply may be tendered by the requesting party.

d. Reference (n) states all recreation items will be classified as direct turnover (DTO). In the interest of uniformity, property management for APF DTO items should mirror that which is required for comparable NAF property. However, APF items identified as controlled equipage (e.g., stopwatches) are subject to property management requirements per reference (n). Reference (h) requires that pilferable items purchased with APF be included in the Supply Department’s property management systems. Examples include desktop calculators/adding machines, cameras and photographic equipment, binoculars, communication devices, television sets, audio-visual equipment, recording equipment/transcribers, test equipment, computer printers and modems, computer software and documentation, general purpose shop equipment, and portable power tools.

e. With the exception of consumable items such as supplies, all APF property will be delivered to the Supply Department for proper disposition. APF property may not be sold by the ship’s recreation program.

3. NAF Procurement Authority. The CO is responsible for the proper use of NAF and for the award of NAF contracts per references (q) and (ii). The CO is hereby granted authority to award NAF contracts in support of the Afloat Recreation Program. Additionally, since any holder of a Federal Acquisition Regulation (FAR) contracting warrant may award NAF contracts, the Supply Officer or any other holder of a FAR contracting warrant (including NAVSUP Fleet Logistics Centers) may award NAF contracts. The CO may formally delegate his authority to award NAF contracts. Such delegations must be in writing and state the delegation is valid only for as long as the individual serves in the position held at the time of their appointment. The authority to award NAF contracts terminates when the individual leaves the position they were in when they were appointed. The individual’s relief does not automatically assume the authority to award NAF contracts. Any verbal or written commitments made by anyone who does not hold contract award authority are considered unauthorized commitments. Unauthorized commitments are the personal liability of the person making the commitment and are not valid obligations of the federal government unless legally ratified by a warranted contracting officer.

4. Buy American Act. Per reference (j), no foreign goods will be purchased for use in the United States, its possessions and Puerto Rico without specific authorization of CNIC (N94). For example, a ship homeported in California may not travel to Mexico and use NAF monies to buy products for use in its homeport. However, a ship conducting a port visit in a foreign country may use NAF monies in support of the Afloat Recreation Program (the Buy American Act does not apply to purchases for use overseas; for example, a ship homeported in a host foreign country is exempt from the Buy American Act because such products will not be used in the United States. See the NAF Contracting Officer for guidance.)

5. Government Sources of Supply for NAF Procurement. Per reference (j), all responsible contractors (except those listed as debarred, ineligible or suspended) are eligible sources of NAFI
requirements. Federal Government sources should be used unless lower prices for like items are available from commercial sources. Established Government sources are:

a. **Navy Exchange.** The Navy Exchange Manual establishes special prices for NAF.

b. **Inter-service or Intra-service Agreements.** Several service agencies established purchasing and price agreements with commercial sources. All NAF are authorized to participate in the various purchasing and price agreements established by the Navy Exchange Command, Air Force NAF Purchasing Office, Army Community and Family Support Center and Defense Personnel Support Center.

c. **Federal Supply Schedules (FSS).** FSS lists contracts with commercial firms for common supplies and services. Copies are distributed by the General Services Administration (GSA).

d. **GSA Stock Program.** Stocks a wide-range of national stock number items which can be requisitioned from GSA catalogs.

e. **Federal Prison Industries, Inc. (UNICOR).**

f. **Workshops for the Blind and Workshops of Other Severely Handicapped Persons.** These procurement lists are published by GSA.

6. **NAF Solicitation and Competition.** Offers or quotations should be solicited from a sufficient number of sources to ensure adequate competition. Solicitation may be limited to no less than three suppliers. Afloat Recreation Fund Administrators may set monetary thresholds less than those established by CNIC with regard to the solicitation of bids. Reference (c) sets forth the minimum thresholds requiring solicitation.

a. Less than $5,000: Nonrecurring purchases may be accomplished without competition when the Afloat Recreation Fund Administrator determines that prices are fair and reasonable.

b. Between $5,000 and $10,000: Purchases in this range will be preceded by solicitation of qualified vendors. An informal oral solicitation is acceptable.

c. Between $10,000 and $25,000: Purchases in this category must be accomplished by written solicitation. SF-18, Request for Quotations, may be used for such purposes.

d. Over $25,000: Formal competitive procedures are required using SF-33, Solicitation, Offer and Award. The number of contractors solicited should be consistent with the nature of the purchase and availability of sources. However, three sources is the recommended minimum. Written solicitations on an SF-33 must indicate that the solicitation is to be negotiated.

7. **Contract Review Board (CRB).** A CRB consists of at least three members (one of whom will be the Supply Officer) and is convened for the purpose of reviewing significant NAF contracting.
actions. Duties of the board need not be arduous and, in most instances, the reviews may be accomplished by chop chain routing. All of the following actions will be reviewed by the CRB prior to execution.

   a. Solicitations (i.e., requests for proposals) where the estimated value is in excess of $25,000.
   b. Contract awards in excess of $25,000.
   c. Contract awards in excess of $10,000 to other than the low offer.
   d. Contract awards in excess of $10,000 to a single source.
   e. Contract awards in excess of $10,000 when only one response to a Request for Proposal has been received.
   f. Contract awards with economic price adjustments (escalation) provisions.
   g. Modifications increasing or decreasing a contract in excess of $5,000 or 10 percent of the total contract value, whichever is greater.
   h. Termination actions.

8. Procurement Using Purchase Orders. With the exception of petty cash purchases, debit cards and Navy Cash Cards used on deployment, all Afloat Recreation Fund purchases will be conducted by use of a purchase order. NAVCOMPT Form 2213, Purchase Order, is the primary document used by the Department of the Navy (DON) for NAF procurement. DD Form 1155, Order for Supplies and Services, is used by Department of Defense for procurement using both NAF and APF. Sequentially numbered purchase orders will be issued for all purchases made from commercial sources except for those purchases paid from a petty cash fund. For convenience, a locally-generated purchase order log may be used to list sequentially numbered purchase orders. Procurement sequence follows:

   a. The CO authorizes the purchase of goods or services. The RSO or Purchasing Agent processes a purchase order signed by the CO.
   b. The original purchase order is sent to the vendor.
   c. Copy 2 is sent to the RFC.
   d. Copies 3 and 4 are sent to the Receiving Agent who receives the goods or verifies performance of services. An “open order” file is maintained (usually sorted by vendor name) until delivery.
e. Copy 5 is retained by the RSO/Purchasing Agent.

f. When goods are received (or services rendered), the Receiving Agent annotates copies 3 and 4 to reflect any differences or discrepancies between the items or services ordered and the items or services rendered. The Receiving Agent retains copy 3 on file and sends copy 4 to the RFC.

g. The RFC sends payment to the vendor and files copies 2 and 4.

9. **Procurement Using Debit and Navy Cash Cards.** The use of credit cards, revolving credit and other forms of borrowing is prohibited. Debit cards and Navy Cash Cards draw directly from the Unit Recreation Fund checking account or from funds received via the K22 and therefore are not considered credit cards. Debit cards and Navy Cash Cards are to be used to support the programs and events offered through the Afloat Recreation Fund Program. All transactions via these cards must be logged in to the Receipt and Expenditure Log. These cards may be used for the following purposes:

a. Securing room reservations prior to a port visit; review Chapter 3, paragraph 14s and Chapter 4, paragraph 8c(1) of this instruction.

b. Securing Afloat Recreation (MWR) group tour reservations prior to a port visit.

c. Securing reservations for a ship’s recreation function (e.g., command party at a liberty port or homeport).

d. Ordering Afloat Recreation Program and event supplies.

e. Procuring prizes for recreation events and programs.

10. **Unauthorized Uses of Unit Recreation Fund Debit and Navy Cash Cards.** Debit and Navy Cash Cards may not be used for personal transactions, such as reimbursing personnel (with the exception of a cancelled MWR tour or other program offered by and secured through the Afloat Recreation Program), purchase of food items for personal use or any item not intended for the Afloat Recreation Fund program.

a. The primary use of Debit and Navy Cash Cards is to support the Afloat Recreation Fund Program. When the cards are not needed they should be secured in a safe or controlled locking receptacle. Accounting for all expenditures is required. All transactions must be recorded on the Receipt and Expenditure Log with supporting documentation attached. The following documentation is required: invoice and receipts, Receiving Agent documentation and approval documentation. Additionally, all Debit and Navy Cash Card transactions will be transferred to the check register and monthly Receipt and Expenditure Record. All expenditures should be reconciled against the monthly banking statement and verified monthly by the Fiscal Oversight Board.
b. Appropriate safeguards should be taken when ordering goods or services with a Debit or Navy Cash Card. The delivery of goods or services should be clearly stated before making any commitments. It is appropriate to request, in writing, what goods or services will be purchased from vendors (see Chapter 5, paragraph 13).

11. Petty Cash Purchases. Petty cash purchases provide an expedient method of making small, non-recurring cash purchases. For example, a command may use a purchase order to charter a fishing tour and use petty cash to buy fresh bait prior to getting underway. No more than $150 may be expended for any one transaction. Sequentially numbered Petty Cash Vouchers (NAVCOMPT Form 743) are used to document purchases, each of which must be validated by a receipt. The petty cash fund is replenished as necessary by check from the RFC.

12. Contracts. In some cases, purchase orders cannot provide the level of detail required to obtain certain goods and services. As such, those goods and services must be obtained using contracts. Catering and entertainment services for a summer picnic are examples for which a contract may be issued. DoD and DON standard contracts contain all of the legally required clauses generally not found in contracts that have been developed and offered by a contractor. DON procurement policy regulations require an Office of General Counsel (OGC) attorney review any contracts with non-Federal entities. All contracts in relation to port visits (CONUS or OCONUS) must be reviewed by legal counsel to prevent loss to the Afloat Recreation Program in the event of uncontrolled port changes or schedules. Review of contracts by Judge Advocate General Corps attorneys is permissible with the concurrence of the appropriate OGC attorney when OGC attorneys are not available.

13. Control of NAF Property

a. Two criteria are used to determine the level of control required for NAF property administration: unit cost and useful life. Such property is divided into two groups: Afloat Recreation Non-expendable (Controlled) Property and Afloat Recreation Expendable Property.

   (1) Afloat Recreation Non-expendable (Controlled) Property are NAF items which have a useful life exceeding two years and a unit cost greater than $300. A barbecue grill costing $1,250 and a sail boat or portable basketball goal costing $1,800 are examples of Afloat Recreation Non-expendable (Controlled) Property.

   (2) Afloat Recreation Expendable Property are NAF items which have a useful life of less than two years, regardless of cost. Picnic bags, board games, sport balls and fishing equipment are examples of Afloat Recreation Expendable Property.

b. Local procedures will be developed to prevent the loss or waste of NAF property which does not meet the criteria for classification as Afloat Recreation Non-expendable (Controlled) or Expendable Property. COs may require that certain items not meeting these thresholds be afforded the same level of control.
c. Donated property, after being processed and received per formal gift acceptance procedures outlined in reference (ah), will be classified according to its fair market value and remaining useful life.

14. Inventories. Physical inventories of all NAF and APF property under the control of the unit Afloat Recreation Fund must be conducted every 31 March and 30 September and upon relief of the RSO. Results of these physical inventories must be verified against the property inventory records for Afloat Recreation Non-expendable (Controlled) Property and Afloat Recreation Expendable Property and copies included in the required semi-annual internal fiscal oversight conducted during the same periods.

15. NAF Property Identification and Records

a. Afloat Recreation Non-expendable (Controlled) Property items will be assigned a unique and permanently affixed identification number permanently. Furthermore, each item will be described on the Inventory Record, which will also list the following information:

(1) Name of item and inventory number.

(2) Serial number, if any.

(3) Identification number.

(4) Acquisition cost or value.

(5) Date of acquisition.

b. Afloat Recreation Expendable Property items will have a running inventory and be generated aboard the ship and maintained by the RSO with the following information:

(1) Name of item.

(2) Number owned.

(3) Total value.

(4) Inventory numbers are not required.

16. Preventative Maintenance of Afloat Recreation Property

a. All commands are required to have a Preventative Maintenance Program (PMP) for all fitness equipment (including APF property used by the program). PMPs should have the following:
(1) Daily cleaning schedule for all equipment.

(2) Monthly mechanical inspection of all equipment.

(3) Regular lubrication of equipment.

(4) Broken equipment reports.

(5) Posted guidelines for users on the proper use and care of equipment.

(6) Logged usage of cardio equipment will be maintained so that readily available hours or mileage can be obtained. Required procedures for items (1) through (6) are available through the manufacturers’ owner’s manuals or through the ship’s local Deployed Forces Support (DFS) office.

b. As part of the semi-annual internal assessment, a visual inspection of the fitness equipment must be conducted to ensure the PMP is being followed. CNIC DFS inspectors will take note on whether or not guidelines are being followed.

c. Prior to deployment, commands must procure, or receive from CNIC, a supply of commonly-used spare and repair parts to ensure fitness equipment is always available and working.

d. Commands should work with the local DFS office to ensure personnel receive training on the proper repair and maintenance of the fitness and weight equipment from vendors (APF physical fitness property is to be controlled by the Supply Officer with sub-custody to the RSO for monitoring purposes only; repair, spare parts and replacement are the responsibility of the command, per reference (h)).

17. Gear Locker Check Out. Many commands check out Afloat Recreation Expendable property to their crewmembers at no charge. A simple check-out and check-in procedure will be used.

18. Disposition of Surplus NAF Property

a. Any property of which its procurement origin cannot be verified must be disposed of under APF procedures and guidelines without exception.

b. In no instance will excess NAF property be donated to any individual or civilian organization.

c. With the exception of motor vehicles, excess NAF property may be transferred to other Afloat Recreation Programs or NAFIs within the immediate area. Such transfers should be made without reimbursement, unless prior approval is obtained from CNIC (N92). In the event such a
transfer is not warranted, the excess property should be reported to the cognizant fleet commander via the chain of command for redistribution and may be directed within the command.

d. Surplus NAF property may be used as a trade-in on a similar item as long as it is consistent with the procurement process.

e. In cases where the transfer or trade-in of excess NAF property is impractical, the property may be transferred to the nearest Defense Reutilization and Marketing Office (DRMO).

f. If transferring the item to DRMO is not practical, the Recreation Fund Administrator may authorize the sale of such property on board ship using sealed bid procedures. No members performing official duties associated with the Afloat Recreation Program may participate in the sealed bid process as a purchaser.

g. Disposition of surplus vehicles is addressed in references (j), (q) and (aj).

19. Disposition of Unserviceable NAF Property

a. In no instance will unserviceable NAF property be donated to any individual or civilian organization.

b. Unserviceable NAF property which has a unit acquisition value of less than $300 may be discarded. NAVCOMPT Form 2212, Certificate of Disposition, will be filled out with two witnesses certifying destruction and disposal. It must then be validated by the RSO or RFC, noted on inventory records and forwarded to the Afloat Fund Administrator for final signature.

c. Afloat Recreation property items which have become unserviceable will be transferred to the local DRMO.

d. Disposition of unserviceable Afloat Recreation vehicles is addressed in reference (aj).

20. Disposition Documentation

a. DD Form 1149, Requisition and Invoice/Shipping Document, validates the transfer of property and also serves as an authenticating document for adjusting NAF property records.

b. NAVCOMPT Form 2212 is used as the authenticating document to adjust property records.

21. Policy on Use of MWR Afloat Recreation NAF Vehicles

a. NAF may be used to procure vehicles for Navy MWR purposes according to provisions
in references (j), (q) and (aj). Official MWR business implies travel and transportation for authorized MWR purposes and programs.

b. The purchase of 15-passenger vans is not authorized without prior written approval from CNIC (N944).

c. Ships that leave MWR NAF purchased vehicles behind during periods when they are deployed from their homeports or other places where such vehicles are located will turn over control of the vehicles to the nearest Navy MWR activity ashore for custody and use while they are away.

d. MWR NAF purchased vehicles depreciate over a five year time period. The actual useful life may be different according to local conditions. For DRMO purposes, the anticipated life expectancy for new MWR vehicles is established as a minimum of six years from manufacture or 72,000 miles. Vehicles obtained from DRMO or other sources will also follow the above criteria.

e. NAF procured vehicles will be solid colors (white or blue) and not contain wrap-around paint designs.

22. Prohibited Use of MWR Vehicles. The use of MWR procured vehicles is prohibited for the following:

a. Transportation between domicile and place of employment.

b. Transportation for private business or personal engagements of military or civilian personnel, members of their families or others.

c. Transportation for official Navy business not associated with MWR programs.

d. Any purpose that could be construed as competitive with private enterprise (e.g., the use of MWR buses or vans for a purpose that is not an MWR event or organized program).

23. Government-owned APF Procured Vehicles. MWR Afloat Recreation Programs may be permitted no-cost use of APF vehicles for official MWR business when approved by the ship’s CO.
CHAPTER 7
CNIC AFLOAT RECREATION AND FITNESS SPECIALIST PROGRAM

1. Program Overview. Operational readiness is greatly enhanced by supporting shipboard quality of life. Per references (e) and (f), CNIC provides Fun Boss and Fit Boss billets on board large deck ships to manage recreation, sports and fitness programs.

   a. The CNIC Afloat Recreation and Fitness Program billets are centrally funded and managed by CNIC.

   b. Program eligibility is established by CNIC (N921) and is based on the following:

      (1) Funding availability.

      (2) Ship’s company size.

      (3) Availability of qualified personnel.

   c. Ships with an assigned Fun or Fit Boss should become familiar with the positions’ duties and responsibilities. Position descriptions, which provide broad guidelines for incumbents, can be obtained by contacting CNIC (N921D).

2. Program Responsibilities and Chain of Command

   a. CNIC provides all civilian personnel administration for the Fun and Fit Boss billets to include recruitment, salaries, benefits, mid-year and annual evaluations, performance awards, non-shipboard training and other administrative actions in support of the designated billets per references (e), (ak) and (al). CNIC is responsible for program updates, modifications of the program and all instructions and SOPs that govern the Afloat Recreation and Fitness Specialists.

      (1) All Fun and Fit Bosses administratively report to a designated CNIC supervisor located in either Norfolk, Virginia or San Diego, California. All Afloat Recreation and Fitness Specialists assigned to ships in Norfolk, Virginia and Mayport, Florida, will report to the CNIC Fleet Fitness and Recreation Program Manager in Norfolk. All Afloat Recreation and Fitness Specialists assigned to ships in San Diego, California; Bremerton, Washington; Everett, Washington; and Japan will report to the CNIC Fleet Fitness and Recreation Program Manager in San Diego.

      (2) Although employed by CNIC, the incumbents operationally work for the ship, report to a Department Head and are responsible to the CO. CNIC will inspect the shipboard environment to ensure ships support the minimum requirements and personnel are performing to standards. CNIC reserves the right to remove personnel should the work
environment be found inadequate, unsupportive or contrary to civilian personnel requirements prescribed in this instruction.

b. Incumbents are responsible to the ship’s CO for fulfilling all job responsibilities. Ship’s support is essential to the accomplishment of the work assigned to, and quality of life of, assigned personnel. The following is the minimum support required to maintain assigned billets:

   (1) Berthing - Junior Officer stateroom equivalent.

   (2) Designated office space (not in the stateroom).

   (3) Computer/LAN support.

   (4) Access to outside phone line.

   (5) Feedback to CNIC supervisor on employee performance and other administrative requirements.

   (6) Access to meals via employee purchasing into the afloat mess system.

   (7) Navy-provided medical and dental support while deployed.

   (8) Imminent Danger Pay (IDP) letters while in IDP area of operations designated by the DoD. CNIC Fit and Fun Bosses are not authorized tax free status at any time during deployments.

   (9) Military airlift capabilities when necessary to fly with the advanced detachment team to prepare for upcoming port visits.

   (10) Shipboard sponsor upon reporting aboard.

   (11) Required shipboard training.

c. Fun and Fit Bosses report directly to a commissioned officer who serves as a Department Head. As the immediate supervisor of the Fun or Fit Boss, a Department Head must be prepared to invest their energies in providing leadership, support and mentoring. The commitment and support required of a Department Head in administering a Fun or Fit Boss billet is the same as required to support a junior officer billet. The Department Head is responsible for meeting all shipboard personnel administration requirements. In some cases, both incumbents (Fun and Fit Bosses) will report to the same Department Head. But the nature of the respective billets is such that each person may report to a different Department Head. For example, the Fun Boss can report to the Executive Administrative Officer for the Recreation Program whereas the Fit Boss could report to the Medical Officer, who is interested in the outcome and results of physical fitness programs. In no case will the Fun Boss or Fit Boss supervise the other.
APPENDIX A
REFERENCES

a. 10 U.S.C. §2783

b. DoD Instruction 1015.15 of 31 October 2007

c. DoD Instruction 1015.10 of 6 July 2009

d. SECNAVINST 5401.2A

e. OPNAVINST 1710.9

f. OPNAVINST 1700.7E

g. CNICINST 7000.3

h. NAVSO P-1000

i. OPNAVINST 3120.32D

j. CNICINST 7043.1

k. SECNAVINST 1700.12A

l. SECNAVINST 5040.3A

m. CNIC Afloat Recreation Program Inspection Report

n. NAVSO P-485

o. OPNAVINST 6110.1J

p. OPNAVINST 1750.1G

q. CNICINST 1710.3

r. CNO WASHINGTON DC 052247Z Apr 02 (NAVADMIN 095/02)

s. UCMJ Article 92

t. OPNAVINST 1754.5B

u. SECNAVINST 5760.14D
v. DoD Instruction 5120.20 of 18 October 2010

w. CNO WASHINGTON DC 271406Z Aug 14 (NAVADMIN 200/14)

x. SECNAVINST 5870.7

y. BUPERSINST 1710.15A

z. 18 U.S.C. §1001

aa. UCMJ Article 132

ab. CNICINST 7010.1

ac. CNICINST 5890.1

ad. SECNAVINST 5210.8D

ae. SECNAV M-5210.1

af. NAVSO P-487

ag. OPNAVINST 1700.16A

ah. OPNAVINST4001.1F

ai. SECNAVINST 7043.5B

aj. NAVFAC P-300

ak. CNICINST 5300.2

al. CNIC N9 Standard Operating Procedures NAF Personnel Policy