Department of Defense
INSTRUCTION

NUMBER 1015.08
December 23, 2005

USD(P&R)

SUBJECT: DoD Civilian Employee Morale, Welfare, and Recreation (MWR) Activities and Supporting Nonappropriated Fund Instrumentalities (NAFI)

References: (a) DoD Directive 1015.8, subject as above, October 22, 1985 (hereby canceled)
(b) Acting Deputy Secretary of Defense Memorandum, "DoD Directives Review – Phase II," July 13, 2005
(c) DoD Directive 1015.2, "Military Morale, Welfare, and Recreation (MWR)," June 14, 1995
(d) DoD Directive 1015.14, "Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources," July 16, 2003
(e) through (k), see enclosure 1

1. REISSUANCE AND PURPOSE

This Instruction:

1.1. Cancels reference (a) and issues, by authority of reference (b), a DoD Instruction prescribing policy and assigning responsibilities for the operation of DoD civilian employee morale, welfare, and recreation (MWR) activities and supporting nonappropriated fund instrumentalities (NAFI), consistent with references (c) and (d).

1.2. Continues to authorize the development, publication, and maintenance of DoD 1015.8-R (reference (e)).

2. APPLICABILITY AND SCOPE

This Instruction:

2.1. Applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all

other organizational entities in the Department of Defense (hereafter referred to collectively as the "DoD Components").

2.2. Applies to DoD civilian employees (persons employed by a DoD Component or Defense Agency) and compensated directly from either appropriated or nonappropriated funds.

2.3. Does not apply to Armed Services Exchange operations. (See DoD Directive 1330.9 (reference (f)))

2.4. Is limited to DoD installations, locations, and activities within the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands and its territories and possessions. It may be extended to non-U.S. areas when specifically authorized by the Principal Deputy Under Secretary of Defense for Personnel and Readiness (PDUSD(P&R)).

3. DEFINITIONS

3.1. DoD Civilian Employee. A person employed by a DoD Military Department or Defense Agency and compensated directly from either appropriated or nonappropriated funds.

3.2. All other terms used in this Instruction are contained in DoD Instruction 1015.15 (reference (g)).

4. POLICY

It is DoD policy that:

4.1. MWR and resale activities for DoD civilian employees shall be established and maintained consistent with the provisions of references (b) and (c). The interests of civilian employees and the need for establishing or continuing to support civilian employee NAFIs shall be reviewed at least triennially by the Heads of the DoD Components or designee. If the review results in a decision to establish, continue, or expand civilian employee MWR activities and supporting NAFIs, the guidance contained herein and in reference (d) shall apply.

4.2. Civilian employee MWR programs are counterparts to, but separate from,m ilitary personnel MWR programs. Authorized patronage is listed in reference (e).

4.3. Funding and personnel support of MWR activities shall be consistent with reference (c) and references (d) and (e) , respectively.

4.4. Financial management policies and information requirements of MWR activities shall be consistent with reference (c) and DoD 7000.14-R (reference (h)). Narrative analyses and comments that accompany the annual MWR/NAFI consolidated summary reports to the PDUSD(P&R) shall be prepared by the departmental office assigned responsibility for the

management and oversight of the civilian employee MWR and NAFI programs. Civilian NAFIs are subject to the audit requirements of DoD Instruction 7600.6 (reference (i)).

4.5. The resale of prepared food and beverages by civilian employee Category C NAFIs, through either manual or vending machine methods for on-premises consumption is exempt from DoD Instruction 1330.21 (reference (j)). The resale of all other items of merchandise and types of services in the Continental United States (CONUS) shall be strictly controlled according to this Instruction and reference (d). Resale items shall be for daily personal use and considered necessities that may be required by the employee during the workday. Only items of this nature, as listed in reference (j) for resale within the CONUS, may be sold. Items to be sold shall be justified by the installation commander and approved by the Service staff element responsible for civilian NAFI Category C administration.

4.6. Vending facility programs operated for the blind are authorized under DoD Directive 1125.3 (reference (k)).

4.7. The selling and/or dispensing of alcoholic beverages by a civilian NAFI requires the approval of the PDUSD(P&R) on a case-by-case basis. The following non-package store provisions apply to civilian NAFIs:

4.7.1. Alcoholic beverages include wines, malt beverages, and distilled spirits.

4.7.2. Individual purchasers shall be positively identified as authorized patrons and include age restrictions.

4.7.3. A continuing review of purchases in sales outlets shall comply with the Military Service's controls and procedures.

4.7.4. Applicable dealer taxes shall be paid.

5. RESPONSIBILITIES

5.1. The Principal Deputy Under Secretary of Defense for Personnel and Readiness, under the Under Secretary of Defense for Personnel and Readiness, shall:

5.1.1. Develop policies and establish procedural guidance.

5.1.2. Monitor and ensure compliance of this Instruction.

5.1.3. Develop, publish, and maintain reference (e).

5.2. The Secretaries of the Military Departments shall:

5.2.1. Be authorized to enter into agreements with the Secretaries of other Military Departments for the establishment of joint civilian employee NAFIs according to reference (d)

and with the Directors of the Defense Agencies for the administration of civilian employee MWR activities and NAFIs under the regulations of the Military Department concerned. Existing agreements may require amendment to incorporate the provisions of this Instruction. References hereafter to "departmental-level civilian NAFIs" are applicable to either unilateral or joint civilian NAFIs.

5.2.2. Prepare and transmit reports and other appropriate administrative matters to the OSD, including transmitting reports for joint departmental level civilian NAFIs reports.

5.2.3. Establish and appoint a governing body, termed a Board of Directors, composed of DoD civilian employees that shall:

5.2.3.1. Ensure implementation of this Instruction and

5.2.3.2. Establish and administer a departmental-level civilian NAFI as the Central Successor NAFI for civilian NAFI support within the Military Department. For joint civilian NAFIs, a Successor Civilian NAFI within each participating department shall be designated in the joint agreement.

6. EFFECTIVE DATE

This Instruction is effective immediately.

David S. C. Chu
Under Secretary of Defense
(Personnel and Readiness)

Enclosure - 1
E1. References, continued

E1. ENCLOSURE 1

REFERENCES, continued

(e) DoD 1015.8-R, "DoD Civilian Employee Morale, Welfare, and Recreation (MWR) Activities and Supporting Nonappropriated Fund Instrumentalities," November 1985
(f) DoD Directive 1330.9, "Armed Services Exchange Policy," November 27, 2002
(g) DoD Instruction 1015.15, "Procedures for Establishment, Management and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources," May 25, 2005
(h) DoD 7000.14-R, "Financial Management Regulation," current edition
(i) DoD Instruction 7600.6, "Audit of Nonappropriated Funds and Related Activities," January 16, 2004
(j) DoD Instruction 1330.21, "Armed Services Exchange Regulations (ASER)," July 14, 2005
(k) DoD Directive 1125.3, "Vending Facility Program for the Blind on Federal Property," April 7, 1978