Department of Defense

INSTRUCTION

NUMBER 1401.1

November 15, 1985

ASD(FM&P)

SUBJECT: Personnel Policy for Nonappropriated Fund Instrumentalities (NAFIs)

References: (a) DoD Instruction 1401.1, subject as above, July 24, 1978 (hereby canceled)

(b) DoD Directive 1400.5, "Statement of Personnel Policy for Civilian Personnel in the Department of Defense," January 16, 1970

(c) DoD Directive 1400.6 , "Statement of Personnel Policy for Civilian Personnel of the Department of Defense in Overseas Areas," January 16, 1976

(d) DoD Directive 5120.42 , "Department of Defense Wage Fixing Authority - Nonappropriated Fund Compensation Programs," May 19, 1977

(e) DoD Directive 5124.2, "Assistant Secretary of Defense (Force Management and Personnel)," July 5, 1985

1. REISSUANCE AND PURPOSE

This Instruction reissues reference (a) to reflect administrative corrections. Its provisions supplement references (b), (c), and (d); and authorize the issuance of DoD 1401.1-M, "Personnel Policy for Nonappropriated Fund Instrumentalities (NAFIs)." Under this authority, supplements to DoD 1401.1-M may be published separately.

2. APPLICABILITY AND SCOPE

2.1. The provisions of this Instruction apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, and the Defense Agencies (hereafter referred to collectively as "DoD Components"); and to their employees, including offduty U.S. military personnel, who are paid from nonappropriated funds.

2.2. With respect to matters covered by this Instruction only, the Chief of the Army and Air Force Exchange Service may make those decisions and take those actions which are the responsibility of the Head of a DoD Component, provided this authority is expressly delegated by both the Secretary of the Army and the Secretary of the Air Force. When such authority has been delegated, the phrase "DoD Component" appearing in this Instruction shall be understood to apply to the Army and Air Force Exchange Service.

3. POLICY

DoD 1401.1-M shall set forth uniform policies which govern the administration and management of NAFI employees whose compensation is derived from nonappropriated funds. These policies encompass:

3.1. Employment and Placement

3.2. Position Classification, Pay and Allowances

3.3. Attendance and Leave

3.4. Personnel Relations and Services

3.5. Retirement and Insurance

3.6. Employment of NAFI Personnel in Foreign Areas

3.7. Training and Development

4. RESPONSIBILITIES

4.1. The Assistant Secretary of Defense (Force Management and Personnel) is responsible for all personnel policy matters related to nonappropriated fund employees of the Department of Defense. Pursuant to DoD Directive 5124.2 (reference (e)), he or she shall establish necessary committees, formal or informal, to develop and implement the personnel policies for nonappropriated fund employees. Coordination of policy issues shall be handled with DoD Components through normal staff procedures.

4.2. The Assistant Secretary of Defense (Force Management and Personnel)

designates the Deputy Assistant Secretary of Defense (Civilian Personnel Policy and Requirements) to administer DoD 1401.1-M. He or she shall:

4.2.1. Maintain the manual in coordination with appropriate authorities and publish necessary revisions and amendments.

4.2.2. Maintain surveillance over the policies and programs set forth in the manual insuring consistent implementation and continuous application in a uniform manner throughout the Department of Defense.

5. EFFECTIVE DATE

This Instruction is effective immediately.

JERRY L. CALHOUN
Acting Assistant Secretary of Defense
(Manpower, Reserve Affairs, and Logistics)