



FOR  
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# Family Readiness Groups

Funding  
&

Private Organizations





# Background

- DA PAM 608-47, the initial HQDA FRG guidance, was rescinded (approximately two years ago)
- Army and DOD regulations, as well as the interpretation of the rules, have had many changes
- AR 608-1, Appendix J and “The Commander’s Guide to FRG Operations” contain the current FRG policy guidance
  - The new AR 608-1 was published on 21 Jul 06
  - The Commander’s Guide was developed to assist Commanders and FRG Leaders understand the legal and ethical considerations of Family Readiness Group (FRG) support and funding. It may be downloaded from [www.MyArmyLifeToo.com](http://www.MyArmyLifeToo.com)



## Background (cont.)

- **FRG is an official Army program, formed IAW AR 600-20, Army Command Policy and AR 608-1, Army Community Service Center**
- **It is a unit commander's program**
- **All Eighth Army units MUST have an FRG (Eighth Army CMD Policy Letter #20)**



# Funding Sources for FRG Activities

Unit Mission "Official" APF Funding

Private Organization (PO)

**Family  
Readiness  
Groups**

Informal FRG Fund

Army Community Service  
"Supplemental Mission Fund"



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# Unit Mission “Official” Funding



# FRG Mission Activities

## Resourced by Unit (“Mission”) APFs

- All FRG mission activities are to be funded with APF.
- Commanders will ensure appropriated funds are scheduled during FY planning for FRGs to ensure monies are distributed and not withheld for other purposes.
- Commanders will coordinate with their FRG for input on estimated types and amount of support required (e.g., permissible reimbursable volunteer expenses, training, travel) so that they may better prepare their organization budget to support the FRGs.
- Funding levels will be set as follows:
  - \$6K per Division or equivalent unit
  - \$3K per Brigade
  - \$1K per Battalion
  - \$.3K per Separate Company



# FRG Mission Activities

## Items Resourced by Unit APFs

- **Government office space and equipment**
- **FRG Newsletters**
- **Use of Official Mail Privileges**
- **Use of Government Vehicles**
- **Registered volunteers expenses, depending upon availability of unit funds (.... or NAFs)**
  - **Travel and training (ITOs for FRG volunteers)**
  - **Reimbursement of incidental expenses**
  - **Childcare while volunteering**
- **Child Care for Armed Forces members in support of a contingency operation, depending upon availability of funds. (If APFs are not available, can use NAFs)**



HEROES

# Informal Funds



# FRG Informal Funds

- IAW AR 600-20, Commanders may authorize FRGs to maintain informal funds and fundraise for specific planned purposes
- Operation of the fund must be consistent with Army Values, DOD 5500.7-R, Joint Ethics Regulation, AR 600-20, AR 608-1, and SJA opinion
  - Funds are capped at \$5,000 – “total gross annual income” (a calendar year limitation)
  - One Informal Fund is established for each FRG
  - Financial reports are to be provided to the unit commander at least monthly (or more frequently if requested)



# FRG Informal Funds (cont.)

- The “supervisor” is the unit commander; Rear Detachment Commander is used if the unit is deployed
- Informal Fund Custodians (Treasurers) are liable for any loss or misuse of funds; fidelity bonding is a unit commander’s call
- An Informal Fund Custodian and Alternate Fund Custodian are to be appointed in writing by the unit commander
- Informal Funds cannot be mixed or deposited with personal or MWR unit funds
- May not solicit “sponsorship,” gifts, or donations; but may accept unsolicited, unconditional gifts within the following parameters - -



# FRG Informal Fund Acceptance of Gifts

- **Unconditional gifts of money or other tangible property MAY be accepted by the Informal Fund in amounts up to \$1,000. The donation could be deposited into either the non-appropriated fund unit welfare fund, ACS (Supplemental Mission account), or the FRG Informal Fund**
- **SJA advises in the event the FRG is approached with an unsolicited donation they should consult their legal advisor for an official ethics opinion**
- **The MWR Fund may always accept donations for FRGs in its ACS Supplemental Mission account**
- **No organization other than official DoD MWR activities may accept “commercial sponsorship.” (See Sec. Abell MEMO dated March 25, 2004)**



# Use and Care of the FRG's Informal Funds

- May be used for purely social activities, holiday and FRG parties, events, or outings, volunteer recognition, supplemental unit send off and welcome home social activities
- May NOT be used to augment other unit informal funds, to purchase items which should be purchased with APFs, or to purchase traditional military gifts not related to family readiness
- Should be safeguarded in a bank account, one account per organized FRG. (NOTE: the Credit Union and Community Banks in Korea provide account services to officially sanctioned FRGs)



# Banking Support to Informal Funds

- **FRGs (informal funds) may obtain a bank account with “Community Bank” or the USA Federal Credit Union**
  - **Community Bank (POC: 721-7707)**
    - Informal Funds may not have over \$1,000 in their account
    - Monthly maintenance fees/service charges can be waived with memo of request. Normally a \$5.00/month maintenance fee is charged if an account balance falls below \$300
  - **USA Federal Credit Union (POC: 725-3282)**
    - No account ceiling on informal funds
    - No monthly maintenance fees/service charges if account balance falls below \$5.00



# Informal Fund Fundraising Activities

- FRGs are not established to be fundraising organizations
- FRGs may only conduct internal fundraising as defined by AR 600-29, the Joint Ethics Regulations (JER), and TJAG opinion dated 11 Jan 2006
- FRGs may NOT engage in external fundraising (Further clarified on the next slide in this presentation)
- When in doubt, the unit's Ethics Advisor should be consulted to define the scope of internal vs. external fundraising



# Definition of Internal Fundraising Activities

- **11 Jan 06, Office of General Counsel (Ethics and Fiscal law) and the Army Standards of Conduct Office interpretation: An Army organization – including units, installations, and FRGs – may officially fundraise from its own community members or dependents and from all persons benefiting from the Army organization. For example, an installation may benefit from the Brigade or Unit FRG. Fundraising must be:**
  - for the organization fund, as apposed to a private charity, particular military member or similar cause
  - approved by the commander with cognizance over the location of fundraising if different from the organization's area
- **Commanders shall consult with their SJA or Ethics Counselor and avoid all conflicts with other authorized fundraising activities**



# Korea-Specific Interpretation Of FRG Fundraising:

- **Never, never off-post!**
- **If limited only to the location (“unit area”) and personnel of the FRG’s organization – the FRG’s unit Commander may approve the fundraising**
- **If different from the actual unit area and organizations’ assigned personnel and dependents, the FRG unit Commander must**
  - **consult with their SJA or Ethics Counselor**
  - **avoid all conflicts with other authorized fundraising activities**
  - **obtain approval in writing from the Commander with cognizance over the location of fundraising. In Korea, this is the Area Commander**



# Army Community Service “Supplemental Mission Fund”

OPERATIONAL  
PRIORITY



# Army Community Service “Supplemental Mission Fund”

- Donations may be received for FRGs; SJA review is required
- All FRGs must share in the donation
- Authority levels for donations are capped. AR 215-1 limits were recently changed and are follow:
  - MWR Director: \$15K (when delegated by the Garrison Commander)
  - Garrison Commanders: \$50K
  - F&MWR CMD: \$250K
  - SecArmy: \$250K
- Spending is limited to items not authorized to be funded with APF
- Department Code “9J” is to be used for these transactions (under Program Code “SA” – ACS)



# Private Organizations

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# What is a Private Organization?

- A PO is a self-sustaining, non-federal entity, incorporated or unincorporated, established on a U.S. military installation with written consent of the Installation Commander or higher authority (DOD definition)
- There are presently 107 POs in Eighth Army; 68 are in Area II. Our POs are quite diverse and include Masonic organizations (approx 20%), Scouting units, professional organizations, sports groups, etc.
- They are operated by individuals acting outside any official capacity as officers, employees, or agents of the federal government. Must be a clear delineation between what an individual does in their official capacity and what they do as a PO member
- AR 210-22 provides the Army's policy on POs



# What Can Private Organizations Do?

(AR 210-22)

- **Conduct PO business on a military installation**
- **Conduct fundraising activities on an installation (with Installation Commander approval)**
- **Conduct membership drives/campaigns**
- **May be authorized use of Army real estate by Installation Commander – either through lease or license agreement**
  - **May obtain an on-post bank account**
  - **Can receive unlimited donations, which are used as the membership desires**
  - **Typical uses of PO funds include: donations to charities, membership events, youth scholarships, holiday coupons/gift certificates, and social events with Korean counterparts**



# What Private Organizations Can't Do

- Present appearance of official sanctioning or support by DoD
- Engage in activities that duplicate or compete with authorized Army or NAFI activities
- Distribute or sell alcoholic beverages
- Discriminate or deny membership based on race, color, creed, etc.
- Receive preferential treatment (what the Army permits one to do, it must permit other similar organizations to do)
- Receive financial assistance or other assets from the government or a NAFI. Assets can not be transferred to a PO unless there is a legislative authority (e.g., DODI 1015.9 for overseas scouting activities)



# What Private Organizations Can't Do (Cont.)

- **Coerce others to join the PO**
- **May not use on-post legal, audit, transportation, postal services for business or commercial purposes, printing, information management activities, clerical, financial, copying, management, and procurement services**



# Installation Commander Responsibilities \*

- Provides POs written approval to conduct their activities on an installation. Authorization to operate and renewals are granted for a two-year period
- Ensures compliance by POs with Army and Joint Ethics Regulations (JER). Installation Commanders may terminate a PO if it does not adhere to Army policies and procedures
- Renders approval on PO requests for real estate leases and licenses when deemed in the best interest of the Army

**\* Note: In Korea, this authority resides with the Area Commanders**



# Staff Judge Advocate Responsibilities

- **Reviews all requests for legal sufficiency before support is granted to a PO. Reviews are conducted on:**
  - Initial permissions to operate
  - Renewal requests
  - Real estate agreements
- **Advise Commanders, FMD PO Coordinators, and Army personnel (both military and civilian) on PO matters**
- **Provide advice and training to Army employees (military and civilian) on PO participation**

**SJA Officers (operating in an official capacity) are not authorized to provide legal advice to POs on internal PO operating issues**



# Financial Management Division Responsibilities

- In Korea, the MWR Financial Management Divisions are the proponent offices responsible for exercising administrative oversight of POs on behalf of the Area Commanders
- Financial Management responsibilities include:
  - Monitoring POs to ensure compliance with applicable regulations
  - Processing of all PO requests thru the servicing Staff Judge Advocate Office for Installation Commander approval
  - Ensuring the timely submission of all pertinent documents
  - Coordination/processing of all private organization fundraising requests
- Maintain files on all POs



# PO Authorization Requirements

(per AR 210-22)

- A copy of the organization's constitution and bylaws signed by the President and ratified by elected officers of the general membership
- If not addressed in the constitution or bylaws, the following four statements are required:
  - A statement providing information on the PO's nature, functions, objectives (to include the planned use of generated funds), and activities
  - A statement providing information on membership eligibility and the PO's responsibilities for all management functions. POs must obtain adequate insurance against public liability, claims, property damage, and other legal actions. Additionally, fidelity bonding coverage is required for members or employees handling monthly cash flow exceeding \$500
  - A statement of the organization's liability, if assets are not enough to cover all liabilities. It must also address the extent of the organization's members' personal liability for debts of, or claims against, the private organization
  - A statement that the organization will neither propagate extremist activities nor advocate violence against others or the violent overthrow of the Government and will not seek to deprive individuals of their civil rights



# PO Authorization Requirements (cont.)

- **An agreement to reimburse the Army for utility expenses, unless use is incidental (would cost more to bill and collect than it costs to provide the utility)**



# Reporting Requirements

- **In addition to the information required for PO approval, approved POs must supply the following:**
  - **Approved minutes/summaries of PO meetings (submitted within one quarter after approval by the PO)**
  - **Financial statements (quarterly)**
  - **Any major changes in the PO activities, membership requirements, officers, objectives, organization, constitution, bylaws, use of funds, and management functions (within one month after the change transpires)**
  - **Names, addresses, and phone numbers of the officers (annually or upon change of President or Treasurer)**
  - **Copies of audit reports if annual receipts total \$1,000 or more; required every two years (within one month after completion of audit; note: audits are also required with change of Treasurer)**
  - **Requests for revalidation (submitted 90-days before expiration)**



# Use of Military Postal System (MPS)

DEFENSE



# Use of Military Postal System (MPS)

- **Use of the MPS is authorized for U.S. non-profit, service, social, civic and fraternal-type organizations and sponsored family members, when such organizations are primarily established to serve DoD military and civilian personnel in overseas areas.**
- **The MPS is not to be used for business or commercial purposes**
- **So FRGs absolutely can use the MPS for mailing newsletters etc. Also, POs, if organized primarily as service organizations supporting the command and DoD personnel, may use the MPS so long as they did not do so for profit**
- **DoD 4525.6-M provides further guidance on use of the MPS**

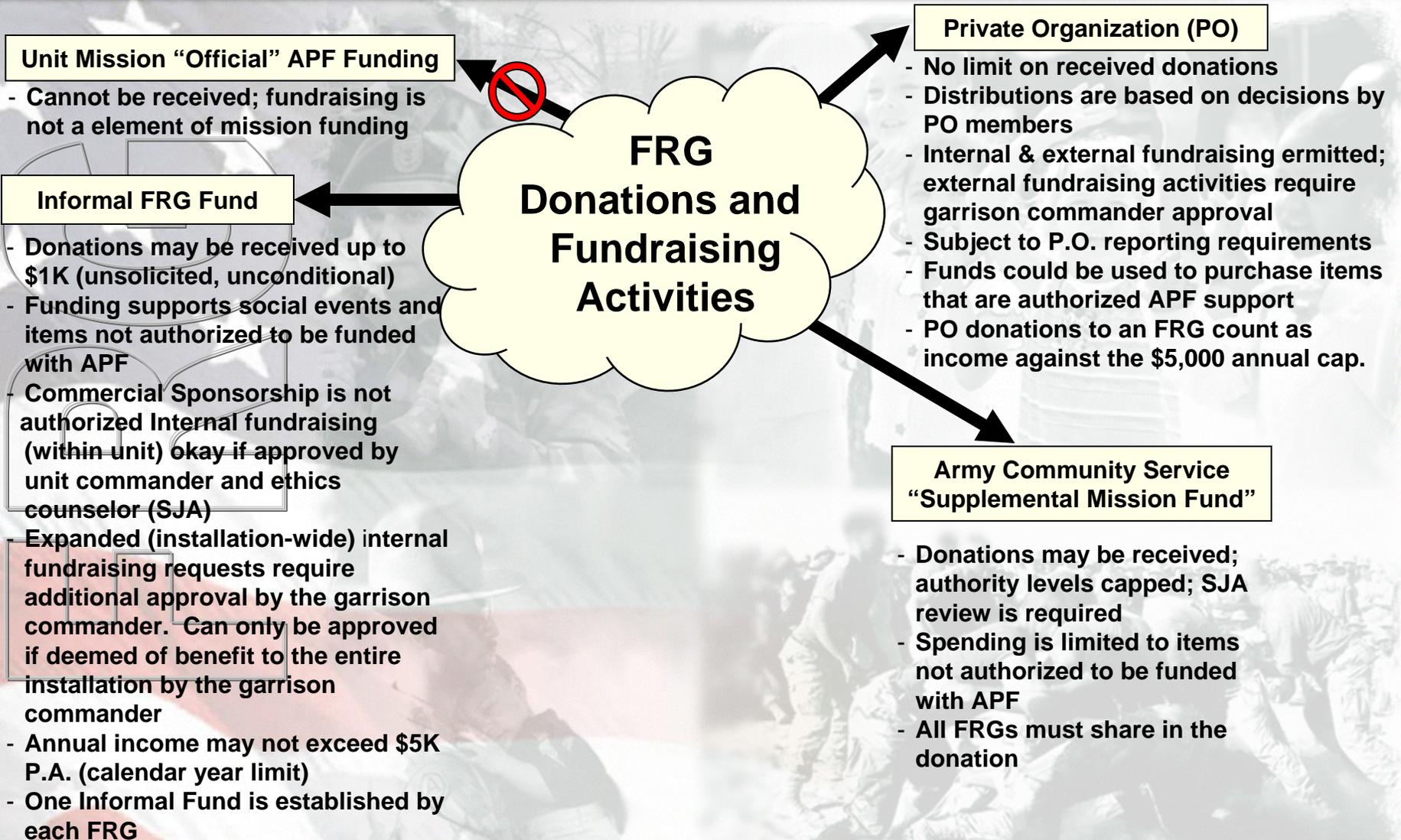


# FRG Funding Recap

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# FRG Accounts for Donations & Fundraising Activities





# Need Assistance?

- **MWR Financial Management Divisions will assist organizations that have questions on FRG operations and those wishing to become a private organization**
- **Current points of contact are:**
  - **MWR Division, KORO, 723-4141, Bldg #1560, South Post, Yongsan**
  - **Area I, 732-7322, Bldg #S16, Camp Red Cloud**
  - **Area II, 738-4046, Room #206, Bldg #4106, South Post, Yongsan**
  - **Area III, 754-6121, Bldg #1280, Camp Humphreys**
  - **Area IV, 768-6360, Bldg #T1254, Camp Henry**