

Chapter 12

SUPPORT FOR SPECIAL MORALE AND WELFARE (SM&W) PURPOSES

12.1. SM&W Expenditures.

12.1.1. SM&W expenditures are NAF expenditures considered necessary to contribute to the overall morale and welfare of the military community. SM&W expenditures must:

- 12.1.1.1. Be conservative.
- 12.1.1.2. Be in the best interests of the Air Force.
- 12.1.1.3. Benefit the military community.
- 12.1.1.4. Not be limited to specific grades or levels of personnel.

12.1.2. Don't use SM&W funds in lieu of APFs for purposes authorized in AFI 65-603, *Official Representation Funds*, unless specifically authorized in this chapter.

12.2. Commander Responsibilities.

12.2.1. Commanders may approve expenditures of NAFs from the applicable MWR for SM&W purposes according to this chapter.

- 12.2.1.1. Obtain advance approval prior to all SM&W expenditures. Commanders establish procedures to ensure that all SM&W expenditures are approved in advance.
- 12.2.1.2. Commanders may delegate expenditure approval authority up to specific amounts for recurring functions such as civic affairs, conferences, recognition programs, and occasions that orient members of the command.
- 12.2.1.3. MAJCOM, FOA, and Numbered Air Force commanders may delegate approval authority to the director of staff-level for all other expenditures.
- 12.2.1.4. Commanders below these levels may not delegate approval authority.
- 12.2.1.5. Persons who are delegated authority to approve purchases must comply with AFI 64-301, where NAF purchases are involved.
- 12.2.1.6. Commanders may establish a petty cash fund to expedite small item purchasing.

12.2.2. MAJCOM commanders ensure the program's integrity by personally monitoring base-level expenditures and requiring and reviewing quarterly reports of base-level SM&W expenditures. They or their delegates (see paragraph [12.2.1.](#)) approve or disapprove SM&W expenditures from the MAJCOM MWR fund.

- 12.2.2.1. Subordinate commanders and commanders of units that other MAJCOMs support submit a quarterly report of all SM&W expenditures to their supporting MAJCOM commander. Use *Expenditures for SM&W Purposes*, RCS: HAF-MWR(Q)8401. This report is designated emergency status code C3. Continue reporting during emergency conditions, delayed precedence. Submit data requirements as prescribed, but they may be delayed to allow the submission of higher precedence reports. Submit by nonelectronic means, if possible. Discontinue reporting during MINIMIZE. Itemize each expenditure, the dollar amount, purpose, items or services purchased, and recipients. Include command-level expenditures in quarterly reports.

12.2.2.2. A HQ AFSVA representative periodically visits MAJCOMs to evaluate their management of the SM&W program. This representative provides a written report of findings to the MAJCOM/SV for resolution with the command section.

12.2.2.3. MAJCOMs must respond to the finding in writing, indicating what corrective actions they're taking.

12.2.3. Host commanders have an obligation to fulfill the SM&W requirements for their unit commanders, tenant unit commanders on their bases, and off-base unit commanders for which they have MWR support responsibility. Requests for SM&W funds follow the format at [Attachment 6](#).

12.2.4. The commander decides what SM&W needs will be met and closely scrutinizes each expenditure to avoid criticism or embarrassment to the Air Force. Initially forward all requests for SM&W expenditures to FM for funding from APFs (see AFI 65-603, *Official Representation Funds*):

12.2.4.1. If FM certifies that representation funds are not authorized, you may submit a request to use NAFs for an authorized SM&W expenditure.

12.2.4.2. If APF representation funds are authorized but not available, don't use NAFs for the SM&W expenditures.

12.2.5. Commanders must exercise restraint in using SM&W funds for purposes described in this chapter so that basic MWR programs and services are not deprived of the NAF resources required to ensure their effectiveness. The authorization for SM&W expenditures does not constitute a commander's fund in any sense.

12.3. MWR Fund Custodian Responsibilities.

12.3.1. The custodian:

12.3.1.1. Briefs incoming commanders who exercise SM&W expenditure authority on the provisions in this chapter.

12.3.1.2. Prepares quarterly reports and accounts for all SM&W expenditures using guidance in AFI 34-209.

12.3.2. The custodian inventories and controls refreshments, mementos, and other stock items and ensures that mementos are not purchased for resale.

12.3.3. The custodian establishes sound stock control procedures.

12.3.3.1. Ensure that the inventory system provides a clear audit trail for items purchased and records the specific purposes and events for which the items were issued. (You may control mementos manually using stock record or bin cards or computerize these records.)

12.3.3.2. Conduct an annual inventory and provide an inventory report to the commander. Make sure that independent persons conduct the inventory, with help from the memento custodian. The MWR fund custodian keeps all inventory certifications for audit purposes.

12.3.3.3. Don't mix inventory items purchased from SM&W funds with items purchased from appropriated contingency (official representation) or other funds.

12.3.3.4. Reconcile expenditure-supporting documents with amounts in quarterly reports and with financial statements submitted through the NAF Standard Accounting and Management System.

12.4. Permissible Expenditures. Commanders and others delegated approval authority will not expend funds for SM&W purposes if funds are authorized elsewhere in this instruction or authorized from APFs (AFI 65-603), unless this paragraph cites them as an exception. This paragraph lists examples of permissible expenditures.

NOTE: For the purposes of this chapter, light refreshments are defined as nonalcoholic beverages, deserts, or snacks. Alcoholic beverages of any kind, meals, buffets, banquets, smorgasbords, and heavy hors d'oeuvres are excluded.

12.4.1. Individual recognition programs for military and civilian employees:

12.4.1.1. Trophies, nominal monetary awards, and meals for award winners such as airman, NCO, and officer of the quarter.

12.4.1.2. Insignia and stripes for promotions.

12.4.1.3. Mementos (not to exceed \$20) for retirements.

12.4.1.4. Light refreshments at recognition events.

12.4.2. Occasions that welcome and orient members of the command such as commander's call and welcoming orientations (light refreshments only).

12.4.3. Expenditures for conferences, workshops, and seminars (light refreshments only).

12.4.4. Normal hosting of visiting Government and non-Government personnel.

12.4.4.1. Expenditures for Government personnel (other than for individual recognition according to paragraph [12.4.1.](#)) includes mementos (\$20 maximum value) and receptions or similar special events that the commander personally approves. Amenities are limited to light refreshments.

12.4.4.2. Expenditures for non-Government personnel can include meals, receptions, and mementos (maximum \$20 value) for civic affairs-type functions which further the MWR Program and are not authorized from APFs.

12.4.5. Memorial observances (patriotic, national, local, and for deceased members and their immediate families) that uphold traditions of the Service and the United States. Authorized expenditures include flowers and contributions to national or local charities or foundations, etc., in lieu of flowers.

12.4.6. Civic affairs and events furthering the unit's morale by promoting and fostering good relations between Air Force personnel and civilian communities. Authorized expenditures include payment for receptions and meals at official events hosted by community leaders, for authorized Air Force representatives unless in a TDY status. These expenditures are those not authorized from APFs under AFI 65-603 and are limited to commanders or their designated representatives.

12.4.7. Individual memberships in local civic organizations. Limit these to the commander or the commander's designated representative and only when necessary to further the interests of the Air Force, the MAJCOM, or the welfare of Air Force people.

12.4.8. Change of command ceremonies on a modest basis. MAJCOM commanders establish a dollar limit on these expenditures.

12.4.9. Outstanding Airmen of the Year (OAY) Program: Commanders may fund out-of-pocket expenses up to \$300 for the 12 OAY. Refer to AFI 36-2805, *Personnel, Special Trophies and Awards*, paragraph 3.6.12.

12.5. Prohibited Expenditures. Commanders and those delegated approval authority will not spend SM&W funds for:

12.5.1. Purposes that do not directly relate to the overall morale and welfare of the command and the interests of the Air Force.

12.5.2. Purposes for which the use of MWR funds is expressly prohibited in this instruction; that would conflict with DoDD 5500.7, *Joint Ethics Regulation*; or that would circumvent administrative or legal restrictions on the use of NAFs.

12.5.3. Contributions or support for private individuals or organizations, other NAFIs, or non-Air Force Government organizations.

12.5.4. Contributions to national or local charities, foundations, or similar organizations, except as authorized in paragraph [12.4.5](#).

12.5.5. Financing DoD- or Air Force-directed programs, operations, or services having no connection with MWR. Examples are:

12.5.5.1. Purchasing, maintaining, and repairing non-MWR furnishings, equipment, and supplies.

12.5.5.2. Altering, modifying, maintaining, or repairing facilities.

12.5.5.3. Paying salaries or other compensation to people not working in MWR.

12.5.5.4. Lodging programs.

12.5.6. Gifts or amenities except those listed in paragraph [12.4](#).

12.5.7. Free alcoholic beverages or open bars for any function. *EXCEPTION:* Commanders may provide free beer, on a conservative basis, at a commander's call.

Table 12.1. Special Morale and Welfare (SM&W) and Related Expenditures.

| R U L E | A | B | C | D |
|----------------------------|--|---|---|--|
| | If support is for | then appropriated (Contingency) funds under AFI 65-603 are | and appropriated funds under AFI 65-601V1 are | and nonappropriated SM&W expenditures are |
| | A. INDIVIDUAL RECOGNITION PROGRAMS | | | |
| | Competitive Award Programs | | | |
| 1 | for excellence in a particular function, school incentive program associated with the school's mission, mission accomplishment, special incentive program, or compliance motivation as authorized in a 36-series AFI | not authorized | authorized (see below in this Competitive Awards Programs section for specific expenditures.) | not authorized. |
| 2 | competitive base-wide awards programs (such as airman, NCO, and officer of the quarter/year) officially announced in advance, open to the base at large, and authorized in a 36-series AFI | | | authorized (see below for specific expenditures). |
| 3 | intramural sports and athletic competitions | | | not authorized. |
| 4 | trophies, plaques, and other awards (excluding athletic events associated with base MWR sports programs) | | authorized | authorized. |
| 5 | light refreshments, as defined in paragraph 12.4. (no alcohol) at award ceremonies | | | |
| 6 | gift certificates, coupons, savings bonds, and nominal cash awards | | not authorized | |
| 7 | meals for award winners and spouses | | | authorized (if not in TDY status). |
| 8 | corsage/boutonniere or memento for spouse of award winners | | not authorized | authorized (\$20 limit). |
| 9 | travel and per diem for attendance at awards ceremonies | | authorized | not authorized. |
| 10 | alcoholic beverages or any other expense | | not authorized | |
| | Promotions | | | |
| 11 | insignia, stripes, and similar items | not authorized | authorized (enlisted only) | authorized. |
| 12 | light refreshments, as defined in paragraph 12.4. (other than alcoholic beverages) at promotion ceremonies | | not authorized | authorized. |
| 13 | corsage/boutonniere or memento for spouse of promoted individual | not authorized | not authorized | authorized.(\$20 limit). |
| 14 | alcoholic beverages or any other expense | | | not authorized. |
| | Retirement | | | |

| R U L E | A | B | C | D |
|----------------------------|--|---|--|--|
| | If support is for | then appropriated (Contingency) funds under AFI 65-603 are | and appropriated funds under AFI 65-601V1 are | and nonappropriated SM&W expenditures are |
| 15 | Memento for retiree | not authorized | not authorized | authorized (\$20 limit). |
| 16 | light refreshments, as defined in paragraph 12.4. (other than alcoholic beverages) at award ceremonies | | | authorized. |
| 17 | corsage/boutonniere or memento for spouse of retiree | | | authorized (\$20 limit). |
| 18 | alcoholic beverages or any other expense | | | not authorized. |
| | School Graduations | | | |
| 19 | formal school graduation ceremonies | not authorized | not authorized | not authorized |
| | B. CIVIC AFFAIRS AND EVENTS | | | |
| | Hosted by Community Leaders | | | |
| 20 | meals, excluding alcoholic beverages, for commanders or their designated representative when officially representing the Air Force at official events | not authorized | authorized (JFTR, volume I, U4235-B) | authorized (if not in official TDY status). |
| 21 | any other expense | | not authorized | not authorized. |
| | Hosted by Air Force for DoD Personnel | | | |
| | <i>for guest of honor at or above levels listed in AFI 65-603:</i> | | | |

| R U L E | A | B | C | D | |
|------------------|--|---|--|--|--|
| | If support is for | then appropriated (Contingency) funds under AFI 65-603 are | and appropriated funds under AFI 65-601V1 are | and nonappropriated SM&W expenditures are | |
| 22 | meals for Government or non-Government personnel | authorized | not authorized | not authorized. | |
| 23 | alcoholic beverages | authorized (as part of official function) | | | |
| 24 | refreshments, receptions | authorized | | | |
| 25 | memento for Government personnel | not authorized | | authorized (\$20 limit). | |
| 26 | memento for non-Government personnel | authorized (\$200 limit) | | not authorized. | |
| 27 | pro-rata costs of non-DoD authorized guests' participation in MWR activities | authorized | | | |
| 28 | any other expense <i>for guest of honor below levels listed in AFI 65-603:</i> | not authorized | | | |
| 29 | meals for Government personnel | | | not authorized. | |
| 30 | meals for non-Government personnel | | | authorized. | |
| 31 | alcoholic beverages | | | not authorized. | |
| 32 | refreshments, receptions, etc. | | | authorized (light). | |
| 33 | memento for Government or non-Government personnel | | | authorized (\$20 limit). | |
| 34 | pro-rata costs of non-DoD authorized guests' participation in MWR activities, excluding alcoholic beverages | | | authorized. | |
| 35 | any other expense | | | not authorized. | |
| | Hosted by Air Force for Non-DoD Personnel | | | | |
| | <i>for fewer than 30 people, with no more than 80% DoD; OR 30 people or more, with no more than 50% DoD:</i> | | | | |
| 36 | meals for Government and non-Government personnel | authorized | not authorized | not authorized. | |
| 37 | alcoholic beverages | authorized (as part of official function) | | | |

| R U L E | A | B | C | D | |
|------------------|--|--|---|---|-----------------|
| | If support is for | then appropriated (Contingency) funds under AFI 65-603 are | and appropriated funds under AFI 65-601V1 are | and nonappropriated SM&W expenditures are | |
| 38 | refreshments, receptions, etc. | authorized | not authorized | not authorized | |
| 39 | memento for Government personnel | not authorized | | authorized (\$20 limit). | |
| 40 | memento for non-Government personnel | authorized (\$200 limit) | | not authorized. | |
| 41 | pro-rata costs of non-DoD authorized guests' participation in MWR activities | authorized | | | |
| 42 | any other expense <i>for fewer than 30 people, with more than 80% DoD; OR 30 people or more, with more than 50% DoD:</i> | not authorized | | | |
| 43 | meals for Government personnel | | | not authorized. | |
| 44 | meals for non-Government personnel | | | authorized. | |
| 45 | alcoholic beverages | | | not authorized. | |
| 46 | refreshments, receptions, etc. | | | authorized (light). | |
| 47 | memento for Government and non-Government personnel | | | authorized (\$20 limit). | |
| 48 | pro-rata costs of non-DoD authorized guests' participation in MWR activities, excluding alcoholic beverages | | not authorized | not authorized | authorized. |
| 49 | any other expense | | | | not authorized. |
| | C. MEMORIAL OBSERVANCES | | | | |
| | <i>for patriotic, national, and local observances that uphold traditions of the Service and the United States (such as Veteran's Day or Memorial Day):</i> | | | | |
| 50 | flowers and wreaths | not authorized | authorized | authorized. | |
| 51 | light refreshments, as defined in paragraph 12.4. at memorial observances | | not authorized | | |
| 52 | any other expense | | | not authorized. | |
| | <i>upon the death of a military member or civilian employee of that organization; member of their immediate family; or distinguished leader of the local community with strong ties to the base:</i> | | | | |
| 53 | flowers or wreaths | not authorized | not authorized | authorized. | |
| 54 | donations to charitable organizations in lieu of flowers when requested by the bereaved | | | authorized (nominal). | |
| 55 | any other expense | | | not authorized. | |
| | <i>for memorialization (naming a street, building, etc.), see AFI 36-3108:</i> | | | | |

| R U L E | A | B | C | D |
|----------------------------|--|---|--|--|
| | If support is for | then appropriated (Contingency) funds under AFI 65-603 are | and appropriated funds under AFI 65-601V1 are | and nonappropriated SM&W expenditures are |
| 56 | travel of next of kin, relatives, friends, etc. | not authorized | not authorized | not authorized. |
| 57 | plaque or permanent marker identifying the person being memorialized | | authorized | |
| 58 | costs associated with the actual ceremony (military band, invitations, programs, etc.) | | | |
| 59 | reception for guest(s) of honor, other relatives or person being memorialized, and special guests | authorized at receptions only | not authorized | |
| 60 | flowers, corsage/boutonniere, or memento for guest(s) of honor | | | authorized (\$20 limit). |
| 61 | album with photographs and narrative about the ceremony for guest(s) of honor | | | not authorized. |
| 62 | all other expenses | not authorized | | |
| | <i>for ethnic and holiday observances:</i> | | | |
| 63 | activities designed to recognize the contributions that minorities and women have made to society (scholarly lectures, ethnic historical exhibits, art exhibits, displays, musical groups, etc.) | not authorized | authorized | not authorized. |
| 64 | live artistic performance when part of a formal program designed to make the audience aware of cultural or ethnic history being celebrated | | | |
| 65 | honoraria or speaking fee | | | |
| 66 | meals for non-Government guest speakers when away from home or regular place of business | | | |
| 67 | small samples of ethnic foods prepared and served during a formal ethnic awareness program | | | |
| 68 | holiday greeting cards or seasonal decorations for offices or personal use | not authorized | not authorized | not authorized |
| 69 | seasonal decorations, not of religious character, for use only where all members of the organization may benefit | | authorized | |
| | D. WELCOMING AND ORIENTING | | | |
| | <i>for newcomers' welcome, orientation, etc.:</i> | | | |
| 70 | light refreshments, as defined in paragraph 12.4. (other than alcoholic beverages) | not authorized | not authorized | authorized. |
| 71 | alcoholic beverages or any other expense | | | not authorized. |
| | <i>for commander's call:</i> | | | |

| R U L E | A | B | C | D |
|----------------------------|--|---|--|--|
| | If support is for | then appropriated (Contingency) funds under AFI 65-603 are | and appropriated funds under AFI 65-601V1 are | and nonappropriated SM&W expenditures are |
| 72 | free beer | not authorized | not authorized | authorized (conservative basis). |
| 73 | other alcoholic beverages | | | not authorized. |
| 74 | light refreshments, as defined in paragraph 12.4. | | | authorized. |
| 75 | picnics | | | not authorized. |
| 76 | any other expense | | | not authorized. |
| | E. HOSTING OF VISITING PERSONNEL | | | |
| 77 | fruit basket, welcome basket, etc. | not authorized | not authorized | authorized (\$20 limit). |
| 78 | memento for Government personnel | | | authorized (\$20 limit). |
| 79 | memento for non-Government personnel | authorized (\$200 limit) | | not authorized. |
| 80 | meals, refreshments, receptions, etc. | See Guidance under Section B, Civic Affairs and Events | | |
| | F. ENHANCEMENT OF ENVIRONMENT | | | |
| 81 | enhancing work areas | not authorized | (See AFI 65-601V1) | not authorized. |
| 82 | enhancing living areas, like pictures and equipment in day rooms | | | |
| 83 | seasonal decorations (nonreligious only) where all members of the organization may benefit | | authorized | authorized for dining facilities and hospitals. |
| | G. CONFERENCES, WORKSHOPS, AND SEMINARS | | | |
| | <i>hosting visiting personnel incidental to conferences, workshops, and seminars</i> | see B. Civic Affairs and Events and E. Hosting of visiting personnel | | |
| | <i>other expenses associated with conferences, workshops, and seminars:</i> | | | |
| 84 | alcoholic beverages | not authorized | not authorized | not authorized. |
| 85 | light refreshments, as defined in paragraph 12.4. | | | authorized. |
| 86 | meals for Government personnel | | | not authorized. |
| 87 | TDY expenses (lodging, travel, per diem, registration fee, etc.) | | authorized | |
| 88 | expenses for guest speaker (travel, per diem, lodging, honorarium, etc.) | | | |
| 89 | any other expense | | not authorized | |
| | H. CHANGE OF COMMAND CEREMONIES | | | |
| | <i>when specifically approved in advance by the Secretary of the Air Force to further community, public, or international relations (applies to MAJCOM only except in the most exceptional circumstances warranting policy waiver.):</i> | | | |
| 90 | for pro-rata share of costs for authorized non-DoD attendees, excluding alcoholic beverages | authorized | not authorized | not authorized. |

| R U L E | A | B | C | D |
|------------------|--|---|--|---|
| | If support is for | then appropriated (Contingency) funds under AFI 65-603 are | and appropriated funds under AFI 65-601V1 are | and nonappropriated SM&W expenditures are |
| 91 | light refreshments, as defined in paragraph 12.4. , at change of command ceremonies | not authorized | not authorized | authorized. |
| 92 | printing of invitations, programs, etc. | | authorized | not authorized. |
| 93 | alcoholic beverages | | not authorized | |
| 94 | meals for Government personnel | | | |
| | I. MEMBERSHIP IN ORGANIZATIONS | | | |
| 95 | for membership in local civic organizations for the commander or designated representative where necessary to further the interests of the Air Force, the command, or the welfare of Air Force personnel | not authorized | authorized only in the name of the organization | authorized only for the commander or designated representative. |
| 96 | for meetings, luncheons, etc. hosted by a civic organization for the commander or designated representative where necessary to further the interests of the Air Force, the command, or the welfare of Air Force personnel only | | authorized (JFTR, volume I, U4235-B) | authorized (if not in official TDY status). |
| 97 | for membership in professional organizations | | authorized only in the name of the organization | not authorized. |
| 98 | for membership in all other organizations | | not authorized | |
| 99 | any other expense | | | |

12.5.8. Individual membership fees in professional, scientific, or technical societies and associations.

29

12.5.9. Meals (except as authorized in this instruction), entertainment, protocol functions for Government personnel, or protocol or command representation functions that are authorized APF support.

12.5.10. Traditional receptions, such as commanders' New Year's Day receptions, to which only specific grades or groups are invited.

12.5.11. TDY expenses or expenses for any purpose for which APFs are authorized, except as specifically identified in this chapter.

12.6. Propriety of Expenditures. Commanders judge the propriety of requested expenditures based on this chapter.

12.6.1. **Table 12.1.** gives examples of situations and occasions where SM&W funds may or may not be used.

12.6.2. If commanders are unsure whether a proposed expenditure is proper, they request a determination from their MAJCOM.

12.6.3. MAJCOMs may contact HQ AFSVA/SVX, 10100 Reunion Place, Suite 502, San Antonio TX 78216-4138 for guidance or interpretations on the propriety of using SM&W funds for unusual situations.

ARTHUR J. MYERS,
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