

# **MORALE, WELL-BEING, AND RECREATION**



**COMDTINST 1710.13E**  
**September 2023**

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COMMANDANT INSTRUCTION 1710.13E

Subj: MORALE, WELL-BEING, AND RECREATION

- Ref: (a) Coast Guard Nonappropriated Fund Instrumentalities (NAFI), COMDTINST 7010.5 (series)
- (b) Coast Guard Housing Manual, COMDTINST M11101.13 (series)
- (c) Safety and Environmental Health Manual, COMDTINST M5100.47 (series)
- (d) United States Coast Guard Regulations 1992, COMDTINST M5000.3 (series)
- (e) Standards of Ethical Conduct, COMDTINST M5370.8 (series)
- (f) Coast Guard Nonappropriated Fund (NAF) Personnel Manual, COMDTINST M12271.1 (series)
- (g) Records & Information Management Program Roles and Responsibilities, COMDTINST 5212.12 (series)
- (h) Child Development Services Manual, COMDTINST M1754.15 (series)
- (i) Financial Resource Management Manual (FRMM), COMDTINST M7100.3 (series)
- (j) Communications Manual, COMDTINST M2000.3 (series)
- (k) Coast Guard Acquisition Procedures (CGAP) Appendix G, SAP Guidebook
- (l) Administrative Investigations Manual, COMDTINST M5830.1 (series)
- (m) Personnel Vetting Program (Security Clearance, Suitability, And Credentialing), COMDTINST M5520.12 (series)
- (n) Acceptance and Accounting for Special Projects and Other Gifts to the Coast Guard From Non-Federal Sources, COMDTINST 5760.14 (series)
- (o) Restrictions on the Employment of Relatives and Advocating for the Employment of Relatives, COMDTINST 12310.3 (series)
- (p) U.S. Coast Guard Personal Property Management Manual, COMDTINST M4500.5 (series)
- (q) Motor Vehicle Manual, COMDTINST M11240.9 (series)
- (r) Civil Engineering Manual, COMDTINST M11000.11 (series)
- (s) Food Safety and Sanitation Program Tactics, Techniques, and Procedures (TTP), CGTTP 4-11.12A
- (t) Uniform Regulations, COMDTINST M1020.6 (series)
- (u) Manual of Naval Preventative Medicine, NAVMED P-5010-4
- (v) Records & Information Management Program Roles and Responsibilities, COMDINST M5212.12 (series)
- (w) Safety and Environmental Health Manual, COMDTINST M5100.47 (series)

- (x) Privacy Incident Response, Notification, and Reporting Procedures for Personally Identifiable Information (PII), COMDTINST 5260.5 (series)
- (y) Department of Homeland Security Directive 254-01

1. PURPOSE. This Instruction sets forth policy and procedures for administering the Coast Guard Morale, Well-Being, and Recreation (MWR) Program.
2. ACTION. All Coast Guard unit commanders, commanding officers, officer-in-charge, deputy/assistant commandants, and chiefs of headquarters staff elements shall comply with the provisions of this Instruction.
3. AUTHORIZED RELEASE. Internet release is authorized.
4. DIRECTIVES AFFECTED. The Coast Guard Morale, Well-Being, and Recreation Manual, COMDTINST M1710.13D is canceled.
5. DISCLAIMER. This Guidance is not a substitute for applicable legal requirements, nor is it itself a rule. It is intended to provide operational guidance for Coast Guard personnel and is not intended to nor does it impose legally-binding requirements on any party outside the Coast Guard.
6. MAJOR CHANGES. Realigning organizational responsibilities on financial management and recordkeeping. Updated processes for CG Sports Program. Clarification on procurements, gifts, and responsibilities. Major changes include:
  - a. Table of Contents. Updated to properly reflect the pagination of the Instruction.
  - b. Chapter 2.
    - (1) Created responsibility section for Commandant (CG-111) Child Development Services Program.
    - (2) Added Coast Guard Foundation (CGF) Shipmate Fund Program responsibilities to Commanding Officer of Community Services Command (CSC).
  - c. Chapter 5.
    - (1) Clarified procedures to submit a sports grant request.
    - (2) Removed Unit Sports Team of the Year recognition. Revised the Elite Athlete of the Year nomination application process.
    - (3) Clarified that morale weapons must be requested through Commandant (CG-721). Deleted Commandant (CG-721) approval for purchasing firearms and ammunition with nonappropriated funds.
  - d. Chapter 6.
    - (1) Guidance on gift cards purchased with NAF.

- (2) Guidance on requesting Employer Identification Number (EIN). To establish a unit morale bank account a person's Social Security Number is required for the Internal Revenue Service to issue an EIN.
- e. Chapter 7.
  - (1) Updated reference for background investigations.
- f. Chapter 8.
  - (1) The requirement of QuickBooks Pro Online and the MWR Standard Chart of Accounts for units with NAF employees.
  - (2) Changes to CPA Audit frequency requirement from 1 to every 3 years.
  - (3) Discontinuation of the Cash Management Program.
- g. Chapter 10.
  - (1) Provided clarification on bounce house rentals. Purchasing Bounce houses are prohibited for MWR Programs, although units can rent them from a commercial vendor for events.
  - (2) Peer to Peer transactions such as Venmo for MWR goods or services are prohibited.
  - (3) Authorize the use of debit cards as a procurement tool.
- h. Chapter 11.
  - (1) Clarified automobile comprehensive fire and theft coverage for NAF vehicles.
- i. Appendix E.
  - (1) Updates to APF Support Table of Authorization to mirror CI 7010.5D
- j. Appendix H.
  - (1) Updated the Navy Motion Picture Service program to replace the DVD format with encrypted solid-state players (SSPs) and movie deliver through SD card technology.
- k. Appendix I.
  - (1) Added recommended Financial Cost Percentages for F&B Operations.
- l. Appendix J.
  - (1) Removed outdated Armed Forces Sports application; directs athletes to the Coast Guard MWR website to download the latest form.
- m. Appendix K.

- (1) Updated Sports Participation Grant program. Eliminated the requirement to route requests via memo with command endorsement and approval by MWR cognizant authority. Clarified rates and application procedures are advertised annually via ALCGPSC messaging. Removed eligibility for travel reimbursement and defined individual competitions.
- n. Appendix L.
  - (1) Updated to the Elite Athlete of the Year nomination memorandum.
- o. Appendix P.
  - (1) Deletion of Morale Loan guidance (no longer authorized, form canceled).
- p. Appendix U.
  - (1) MWR Standard Chart of Accounts.
- 7. ENVIRONMENTAL ASPECTS AND IMPACT CONSIDERATIONS. The Office of Environmental Management, Commandant (CG-47) reviewed this Commandant Instruction and the general policies contained within, and determined that this policy falls under the Department of Homeland Security (DHS) categorical exclusion A3. This Commandant Instruction will not result in any substantial change to existing environmental conditions or violation of any applicable federal, state, or local laws relating to the protection of the environment. It is the responsibility of the action proponent to evaluate all future specific actions resulting from this policy for compliance with the National Environmental Policy Act (NEPA), other applicable environmental requirements, and the U.S. Coast Guard Environmental Planning Policy, COMDTINST 5090.1 (series).
- 8. DISTRIBUTION. Electronic distribution in the Directives System Library. Intranet/Pixel Dashboard: Directives Pubs, and Forms - PowerApps (appsplatform.us) . If Internet released: Commandant Instructions (uscg.mil) , Coast Guard Forms (uscg.mil) .
- 9. RECORDS MANAGEMENT CONSIDERATIONS. Records created as a result of this Instruction, regardless of format or media, must be managed in accordance with Records & Information Management Program Roles and Responsibilities, COMDTINST 5212.12 (series) and the records retention schedule located on the Records Resource Center Microsoft SharePoint site at: <https://uscg.sharepoint-mil.us/sites/cg61/SitePages/CG-611-RIM.aspx>.
- 10. FORMS. Suggested changes and/or corrections for immediate action may be submitted to [USCG.Forms@uscg.mil](mailto:USCG.Forms@uscg.mil).
- 11. SECTION 508. This policy is created to adhere to accessibility guidelines and standards as promulgated by the U.S. Access Board with consideration of Information and Communications Technology (ICT) requirements. If accessibility modifications are needed for this artifact, please communicate with the Section 508 Program Management Office (PMO) at [Section.508@uscg.mil](mailto:Section.508@uscg.mil). Concerns or complaints for non-compliance of policy and/or artifacts may be directed to the Section 508 PMO, the Civil Rights Directorate (<https://www.uscg.mil/Resources/Civil-Rights/>) for the Coast Guard, or to the U.S. Department of Homeland Security at [accessibility@hq.dhs.gov](mailto:accessibility@hq.dhs.gov).

12. REQUEST FOR CHANGES. Units and individuals may recommend changes via the chain of command to: D05-SMB-CSCMWR@uscg.mil.

/RUSSELL E. DASH/  
Rear Admiral, U.S. Coast Guard  
Commander, Personnel Service Center

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## CHAPTER 1 GENERAL

- A. Purpose. The purpose of this Instruction is to set policies, guidelines, and administrative procedures that govern the Coast Guard Morale, Well-Being, and Recreation (MWR) Program.
- B. Exclusions. This Instruction does not apply to the management of the following nonappropriated funds that receive guidance from other sources:
1. Coast Guard Exchange System (CGX).
  2. Chapel funds for units with assigned Navy Chaplains.
  3. Funds administered by private associations located on Coast Guard installations.
  4. Any funds established for civilian employees at Coast Guard units.
  5. Coffee messes and wardroom funds.
  6. Cadet-related activities governed under the policies for the Cadet Activities Fund (CAF), Athletic Activity Fund (AAF), and the Academic Activities NAFI which are governed by Reference (a) and the Standard Operating Procedures promulgated by the Superintendent of the Coast Guard Academy.
  7. Any other NAFI that may be established, unless otherwise referenced in the policy documents governing the operations of those NAFIs.
- C. Mission. The mission of the MWR program is to uplift the spirits of the Coast Guard family and be an essential element of Coast Guard mission readiness, resiliency and retention through customer-owned and driven MWR programs and services around the world.
- D. Definitions. Definitions appear in Appendix A.
- E. Guiding Principles.
1. The Coast Guard Morale, Well-Being, and Recreation program plays a vital role in support of mission readiness, resiliency, and retention of not only our military members and their dependents but also the entire Coast Guard family.
  2. A complete understanding of the appropriated fund (APF) and non-appropriated fund (NAF) budgetary processes and resources available to provide and seek additional resources for the delivery of MWR programs and activities is critical. Decision making authorities shall understand the balance between MWR programs and services provided internally and those available through other means and facilities.

3. Decision making authorities shall thoroughly understand the significance of the categorization of MWR Activities and base their resource allocation decisions accordingly. Activities in priority order are Category A, B, then C.
  4. MWR programs and services may not be similar or equitable because of the differences in facilities available at various INCONUS and OCONUS Coast Guard commands or at other Services' commands where Coast Guard personnel are located.
  5. Category B and C MWR Activities shall be operated to be self-sustaining or to break even during the NAF fund year.
  6. MWR programs, activities, and facilities are inherently risky. Commands shall minimize the risks associated with the delivery and management of MWR activities or avoid providing them. Although there are many activities with the MWR programs, commands must avoid expanding services that are available in the local community and/or beyond their abilities to properly manage them.
- F. General Guidelines for Program Development and Execution. The following guidelines are nonspecific in nature and the level of implementation will vary depending on the size, type, location of unit, amount of funding, and the availability of MWR facilities and resources.
1. The degree of command involvement will have a direct impact on funding, level of participation, and coordination of unit resources. Command involvement and support is expected.
  2. Commanding Officers must develop MWR programs based on the assessed needs of local patrons that:
    - a. Support military readiness and resiliency through physical fitness.
    - b. Support needs for camaraderie and unit cohesion: esprit de corps.
    - c. Promote individual growth and development.
    - d. Support family well-being and quality of life.
    - e. Provide the Coast Guard community with access to programs similar to those available in a comparable civilian community.
    - f. Are perceived as a valued benefit of being part of the military.
    - g. Minimize risk to both Coast Guard employees and patrons. In many instances, patrons rent, lease, or use MWR equipment, property or lodging for their intended purposes. In these situations, the conditions of use must be documented in a use agreement or contract that includes a "hold harmless/indemnification" clause. A template for this clause may be: "I (we) \_\_\_\_\_ agree to reimburse, indemnify, and hold harmless the Coast Guard, the Coast Guard MWR program, its agents and

- employees from any and all claims and causes of action that arise or may arise from my (our) use of the Coast Guard MWR equipment or facilities.” All contracts and agreements shall be reviewed, in writing, by the unit’s Servicing Legal Office (SLO) prior to their use. A contract or agreement previously approved by the unit’s SLO in conjunction with a specific activity or property shall be reviewed again by the SLO before it is approved for use with a different activity or property, e.g., the agreement for use of a field for a picnic lunch may not be appropriate for the use of the same field for a children’s soccer game. Additional information regarding Coast Guard NAF/MWR contracting is contained in Chapter 9 (“NAF Contracting”) of Reference (a).
3. Commanding officers should stress cooperation and coordination of MWR activities where units are collocated.
  4. Ashore units that provide MWR support to collocated afloat units should:
    - a. Provide advisory support in MWR matters.
    - b. Schedule MWR activities to maximize participation of afloat units.
    - c. Set operating hours to accommodate afloat liberty hours and special circumstances.
    - d. Work closely with afloat MWR personnel to increase the effective utilization of ashore facilities.
  5. Publicity is an important part of the MWR program. Whether a small or large unit, local commands shall have a way of passing the word to eligible participants. Include dependents, retirees, Reservists, civilian employees, Auxiliarists, and other members of the military community when soliciting participation in MWR activities or determining any advisory board membership. The Coast Guard “family” consists of all eligible patrons defined in Chapter 3 of this Instruction, and should be considered when soliciting participation in MWR activities.
  6. In the interest of promoting good community relations and cooperative use of community facilities, it may be appropriate to occasionally make Coast Guard MWR facilities available for special community events. These events shall not interfere with use of the facilities by authorized participants or result in subsidization of the sponsoring organizations. The overall value accruing to the recreational interests of authorized participants should be the principal determinant in authorizing such events. Additional guidance regarding the use of Category "C" MWR activities is addressed in Chapters 3, 4, and 5 of this Instruction.
  7. Emphasis must be placed on those activities that accommodate the majority of active duty Coast Guard personnel. However, the program shall also be flexible enough to meet reasonable individual needs based on sound business principles.

8. Continually analyze the various activities to ensure that the costs of some are not disproportionate to the cost of the overall program. In general, activities that are characterized by high cost and/or low usage should be primarily supported by fees and charges from participants.
9. The interests and needs of a diverse Coast Guard family should be considered in developing the balanced mix of MWR activities.
10. Fees and charges for the use of MWR facilities and participation in MWR programs shall be continually monitored to ensure that they do not inadvertently preclude participation by eligible patrons. On the other hand, fees and charges, when established, shall be set to ensure the MWR activities remain viable. See Chapter 6 of this Instruction for more guidance on setting fees and charges.
11. Every effort must be made to provide activities and services that benefit families living on the unit as well as those living off of the unit.
12. MWR programs are only as good as the individuals managing them. There is no substitute for good leadership, supervision, and organization. Well-run activities will attract the greatest number of participants. Personnel lose interest quickly in disorganized, mismanaged activities.
13. There are many places throughout the MWR program where volunteers are essential, such as staging picnics, parties, and intramural team competitions. Volunteerism provides an opportunity for interested individuals to contribute their talents, develop leadership skills, and provide a service to the command; however, volunteers are not authorized labor for any Category B and C Activity or any work governed by a position description.
14. Use of MWR facilities and participation in programs shall be equally available to both men and women. Where joint usage is not possible, as in the case of sauna baths, and other facilities not having separate dressing/shower facilities, arrangements shall be made to ensure access on a proportional basis.
15. An active morale committee and user surveys are important sources of information concerning the desires of MWR patrons. See Chapter 8 of this Instruction for further guidance on the MWR user survey.
16. Eligible personnel of a command not fielding teams or supporting individuals in officially sponsored competition will be allowed to participate with commands sponsoring participation. Commanding officers may also authorize individuals of another Service to participate in team and individual competition if the opportunity is not available through the parent Service.
17. Private associations are an essential part of the military community. The administration, relationship, and oversight of private associations by MWR activities are included in Appendix B.

18. Units operating temporary lodging facilities or recreational cottages shall be guided by the health and safety requirements of Reference (b).
  19. Standard Operating Procedures or unit instructions shall be developed for all MWR activities and are required for those activities where use/hold harmless agreements are required.
- G. Nondiscrimination Policy. The conduct of the MWR program shall be free of any discrimination based on age, sex, sexual orientation, reprisal for prior Equal Opportunity/Equal Employment Opportunity Activity race, color, religion, or national origin. Support will not be provided from the MWR program to any organization that practices discrimination. Support would include, but is not limited to the following:
1. Use of the name or sponsorship of the Coast Guard.
  2. Use of a facility or activity of the Coast Guard, including those financed by nonappropriated funds.
  3. Participation in any recreational or sporting event by a team or individual representing the Coast Guard or supported by an MWR fund.
  4. On-base distribution of tickets for an event, or any form of publicity or promotion for an event.
- H. Safety. A proactive safety program shall be in effect for all MWR activities. Guidelines for the establishment of an adequate safety program are outlined in Reference (c) and Chapter 12 of this Instruction.
- I. Funding. MWR activities derive their funding from both appropriated and nonappropriated sources depending upon the category of MWR activity. Nonappropriated funds are derived primarily from Coast Guard Exchange System profits and fees and charges levied for the use of MWR facilities and participation in some MWR programs. See Chapter 6 of this Instruction for more guidance on use of appropriated funds (APF) and nonappropriated funds (NAF).
- J. Fiduciary Responsibility. As noted above, the MWR program consists of both APF and NAF funding support. Nonappropriated funds are also Government funds entitled to the same protection as appropriated funds. Nonappropriated funds are designated for the benefit of authorized patrons and the purposes of the MWR program. There is an individual fiduciary responsibility for properly using NAF in preventing fraud, waste, loss, and unauthorized use. Managers of NAF shall be responsible and held accountable for the proper handling of them. Commanding officers shall ensure that personnel handling MWR assets have the appropriate competencies to manage the risk associated with the accounting for these assets and that there are the appropriate separation of duties. At a minimum, the proper separation of duties would include another individual that is not involved with daily MWR operations reviewing bank reconciliations monthly and performing spot checks on sales, cash received, and deposits; and requiring two signatures on morale fund checks or having a separate individual



designated as the signee. Absent personnel to ensure the proper separation of duties, commanding officers shall institute compensating controls to minimize risk exposure to acceptable levels.

- K. Inspections. MWR programs shall be included in command inspections as required by Reference (d). A sample MWR program inspection checklist is included in Appendix C. At a minimum, inspections of the MWR program shall be conducted annually.
- L. Relationship between MWR Program and Coast Guard Exchange System (CGX). MWR programs are the responsibility of the local commanding officer and his/her chain-of-command. The Coast Guard Exchange System activity is the direct responsibility of the Community Services Command (CSC). Therefore, it is essential that individual activities be administered under the proper program, either CGX or MWR as described below in Paragraphs 1 and 2. Consolidation of local management functions, however, is authorized, provided that the actual cost of services is allocated to the proper program. Examples may include CGX providing accounting services and the CSC providing payroll and human resource support to the MWR program. However, accountability of MWR and CGX funds shall be maintained by separate financial charts of accounts and bank accounts. This Guidance applies to any other NAFI approved for operation.
1. Coast Guard Exchange System. This program includes resale outlets (e.g., exchange stores, package liquor stores, gasoline stations, specialty stores) and service activities (i.e., barber shops, laundries, tailors). Appendix D. provides a more detailed list of the various types of CGX activities. Administration of the CGX resale program is the responsibility of the CSC.
  2. Morale, Well-Being and Recreation Program. This program includes sports activities and facilities (i.e., bowling, golf, tennis, swimming), hobby facilities (i.e., crafts, auto hobby, woodworking), general recreation and family support activities (i.e., theaters, child development centers, and recreation areas), military clubs, community centers, and food service facilities (i.e., cafeterias and snack bars). Chapter 5 of this Instruction provides a more detailed description of the various types of MWR activities. Responsibilities within the MWR program are outlined in Chapter 2.
  3. Combination of Activities. Occasionally an activity of one program will include an activity which by the above definition, belongs to the other program (i.e., candy resale at a movie theater). In such cases, the activity will be handled in accordance with the list contained in Appendix D., except when it does not make good business sense to have the appropriate program, as defined, operate the activity. For example, if the ticket sales person at a theater operation could also handle candy and popcorn sales, the entire operation may be treated as an MWR activity. If on the other hand, sales are of such a volume that a separate salesclerk may be required, that resale operation may be a CGX activity. Questionable cases should be referred to the CSC for resolution. Any program or NAFI desiring to engage in an activity that by policy, belongs to another, shall first get a written right of first refusal from CSC.
- M. Travel. Individuals or groups traveling in support of official Coast Guard MWR business or

activities may be authorized APF support. Detailed guidance may be found in Appendix E. MWR personnel traveling under NAF travel orders shall only be entitled to reimbursement at the level that would have been authorized for the same travel with appropriated funds. Appropriated fund travel entitlements shall apply to nonappropriated travel.

- N. Admissions. Spectator fees will not be charged to eligible members for admission to athletic events in which officially sponsored Coast Guard teams are competing.
- O. Morale Fund Assist Visits. Commanding officers may request MWR financial or administrative assistance visits from either the cognizant authority or the CSC via the chain-of-command. The commanding officer should provide full details regarding the type of assistance needed.
- P. Security Surveillance Cameras. Security Surveillance Cameras are required in all Youth Centers, Food and Beverage Operations, and Club/Bar activities. This is for patron's safety and to prevent theft from customers and employees. It is also recommended that your fitness centers and any other high-risk areas have security surveillance cameras. Units will need to have enough recording space for at a minimum of 30 days of footage.
- Q. Gambling. Gambling activities may be authorized as part of a MWR program as defined below and in Chapter 5 of this Instruction. Gambling policies as described below, do not apply to only MWR personnel or MWR-related gambling activities. They apply to all gambling activities at, on, or in all locations that are controlled by the Coast Guard, regardless of the purpose of the gambling activity, such as unit morale events, affiliated private organization fundraisers, or Combined Federal Campaign (CFC) fundraisers. They also apply to all persons or entities that conduct or participate in gambling activities, such as active duty members, nonappropriated fund and appropriated fund civilian employees, Reservists, retirees, dependents, guests, private associations, and commercial organizations. And finally, they apply regardless of when the gambling event takes place, such as during or outside the normal duty hours. Because gambling rules are complex and highly regulated every proposed gambling activity shall be fully vetted by the unit's SLO. Legal determinations and command written action regarding any gambling initiative shall be kept on file in the MWR files.
1. Every gambling activity is composed of three elements. These three elements are: (1) all participants are required to pay money (or other valuable consideration); (2) to take a chance; (3) to win a cash or non-cash prize. If any of the three elements are not satisfied, the activity is not a gambling activity.
  2. To avoid restrictions resulting from the application gambling rules, commands planning any type of gambling activity should consider transforming the activity into a non-gambling one by eliminating one of the three gambling elements defined, above. If done, the proposed activity or event remains a game of chance, but is not a gambling activity. The SLO has the expertise to assist in this area and shall be consulted.

3. As an entirely separate matter, if the planned gambling or non-gambling activity is a fundraiser, the fundraising rules found in 5 C.F.R. § 2635.808 and Section 2.I.4 of Reference (e) shall apply.
4. Depending on the location of the proposed gambling activity, the status of the persons who will conduct the activity, and the status of the persons who will participate in the activity, the SLO shall consider applicable Status of Forces Agreements (SOFA) and foreign law, local state and municipality gambling laws, U.S. Office of Personnel Management (OPM) gambling rules, policy as contained in Reference (f), for NAF employees, and U.S. General Services Administration (GSA) gambling rules.
  - a. State Laws. If the planned gambling activity will occur in any of the 50 states (even if at, on, or in a Federal or Coast Guard facility), the SLO shall be contacted to determine whether local law applies at the specific location of the planned gambling activity and, if so, whether local law prohibits the gambling activity.
  - b. Office of Personnel Management (OPM) Gambling Rules. With two exceptions, OPM rules prohibit Federal “employees” from conducting, or participating in, any gambling activity either while on duty or while on any Federally owned or leased property (on or off duty) per 5 C.F.R. §735.201. The term “employee” includes all civil service employees, Coast Guard uniformed members and Coast Guard NAF employees per the guidance in 5 C.F.R. § 735.101; 5 U.S.C. §§ 2105(a) and 2105(c); 5 U.S.C. §§ 2101(2) and 2101(3); 10 U.S.C. §§ 101(4) and 101(5); 14 U.S.C. § 1; and Section 1.G of Reference (f). The first exception to the OPM gambling rule permits employees to conduct, or participate in, gambling activities while on duty or while on Federally owned or leased property if their assigned Federal duties require it, per 5 C.F.R. §735.201(b)(1). The second OPM exception permits employees to conduct, or participate in, gambling activities while on duty or while on Federally owned or leased property if the gambling event is part of an authorized CFC or internal support, fundraising event, per 5 C.F.R. § 735.201(b)(2). The SLO shall determine whether either of these two OPM exceptions would permit Coast Guard employees to conduct, or participate in, a planned gambling activity. However, as indicated above, if local state law prohibits the planned gambling activity, the activity is precluded even though the OPM gambling rules would otherwise permit it.
  - c. GSA Gambling Rules. With one exception, the GSA rules prohibit all forms of gambling by all persons at, in, or on any property that is under the charge and control of the GSA per 41 C.F.R. §§ 101-20.300 and 101-20.306. The GSA’s single exception to its gambling rule permits licensed, blind, vendors authorized by state law to sell lottery tickets and to sell those lottery tickets at, in, or on property under the charge and control of the GSA. This GSA gambling rule appears to create a potential conflict with the OPM rules discussed above. For example, one of the OPM gambling rule exceptions permits civil service employees to participate in CFC fundraiser gambling activities. A significant number of civil service employees work in GSA-controlled areas. The GSA gambling rule would appear to preclude civil service employees in those GSA-controlled areas from engaging in a CFC fundraising gambling activity, even though the OPM rules would permit that activity. As a matter

- of policy, the GSA has elected not to enforce its gambling rule for CFC fundraising gambling activities. Servicing legal offices shall be contacted for guidance in this area.
- d. Nonappropriated Fund Personnel Policy. Reference (f) follows the same policy for NAF employees as OPM guidance follows for APF employees. As is the case with the OPM rule, state or local laws may still control whether the gambling event may be permitted. For example, even if the NAF policy permits NAF employees to conduct a gambling event, that activity is precluded if state law prohibits it. Units shall contact the SLO for guidance in this area.

**CHAPTER 2 ORGANIZATIONAL RESPONSIBILITIES**

- A. Commander, Personnel Service Center (PSC). Under the direction of the Assistant Commandant for Human Resources, (CG-1), within the Deputy Commandant for Mission Support, (CG-DCMS) organization, PSC is responsible for monitoring the execution of all nonpay compensation benefit programs for all active duty, reserve, retired Coast Guard military personnel, and other eligible patrons and for ensuring effective management and operation of both CGES and MWR programs, and any other NAFI that may be approved. This includes promulgation of policy and procedures for the administration of the MWR program and the use of appropriated and NAF. The operation of the NAFIs programs at the Coast Guard Academy (CGA) fall under the direction of the CGA Superintendent.
- B. Commanding Officer, Community Services Command (CSC). Under the direction and general supervision of the Commander, PSC, the CSC shall:
1. Manage and oversee Coast Guard MWR program nonpay compensation program and services and oversee operations, Coast Guard-wide.
  2. Develop and promulgate APF and NAF policy as it relates to MWR nonpay compensation programs, establish objectives and standards, and prescribe systems and procedures necessary for effective management and operation. Act as final authority for the establishment of any Category C MWR activity.
  3. Develop and implement a retail business strategy with management goals that achieve CGES profit objectives and meet MWR funding requirements.
  4. Develop and direct retail business plans that are consistent with program goals and strategies and follow sound business practices. Establish and monitor measures of efficiency and effectiveness for MWR Programs. Perform financial and operational analyses MWR operations to identify opportunities for improvement.
  5. Manage and direct the NAF Audit and Internal Control Program to ensure compliance with acceptable standards and to minimize the risk exposure of program assets. This will be explained in detail in Ch. 8.C in this Instruction.
  6. Prepare MWR position papers and other documentation necessary for any Nonpay Compensation Program Board of Directors meetings.
  7. Determine APF and NAF resource requirements and prepare the supporting documentation for MWR program resource issues. Coordinate with all other NAFIs on resource issues.
  8. Direct and assist field operations with the implementation of industry practices and sound administrative procedures for NAFI programs.
  9. Manage and oversee the Coast Guard Sports program.

10. Manage the NAF Cash Management and Investment Program; the NAF Employee Benefit Program, to include the NAF payroll and personnel systems; the Consolidated NAF Insurance Program; and the NAF Capital Improvement Program.
  11. Distribute CGES profits generated for the MWR program to field elements based upon approved direction from the Nonpay Compensation Program Board of Directors.
  12. Serve as Coast Guard's NAF Center of Excellence and the point of contact for NAFI issues.
  13. Establish cooperative efforts with industry, professional organizations, and Department of Defense (DoD)/Other Government Agencies (OGA) nonpay compensations programs to promote and enhance Coast Guard MWR programs. Focal point for responding to external queries on nonpay compensation programs.
  14. Represent the Coast Guard in forums external organization on matters dealing with MWR.
  15. Act as Cognizant Authority to regional units that distribute MWR funds and Training Centers.
  16. Manage Coast Guard Shipmate Fund Request List Program. Liaise with Commandant (CG-8), CGF, and VCG to distributes gift funds to units throughout the Coast Guard.
  17. Manage Capital Improvement Fund Program. Develops and manages annual list. Distributes funds and collects receipts for appropriated fund reimbursement if applicable.
- C. Commandant (CG-111). In accordance with References (a), (f), and this Instruction Commandant (CG-111) develops and promulgates policy and guidance for Child Development Centers (CDC). CDCs are a MWR Category B Business Activity.
- D. Commanding Officers of Units Acting as Cognizant Authorities for MWR Purposes. Commanding Officers of units acting as cognizant authorities for MWR purposes shall:
1. Develop and execute an annual budget to include the distribution of CGES profit and any MWR funds that may be redistributed and forecast revenues and expenses for MWR activities in his/her Area of Responsibility (AOR). Budgets shall reflect an equitable opportunity for members to participate in MWR activities.
  2. Review the MWR budgets and financial reports of the units that they exercise cognizant authority for MWR purposes over in accordance with Chapters 6 and 8 of this Instruction.
  3. Distribute MWR funds received from the CSC in accordance with Chapter 9 of this Instruction.

4. Authorize establishment of unit morale funds at subordinate commands for MWR responsibilities, as appropriate. See Chapter 6 of this Instruction for criteria for establishment and the determination of subordinate commands for MWR purposes.
  5. Provide MWR-related assistance to commands over which they exercise cognizant authority responsibilities.
  6. Develop an oversight and inspection program over units that they support for MWR purposes. Ensure risks are minimized in the operation and delivery of MWR programs and services.
  7. Bases shall have MWR oversight responsibilities throughout their AOR and are responsible for ensuring compliance with policies contained in this Instruction and other directive associated with MWR operations.
- E. Unit Commanding Officer. Commanding officers administering MWR funds have the same responsibility for proper administration as for any other functional element of their command. In carrying out this responsibility they shall:
1. Ensure a realistic MWR budget is developed that reflects expected income from the unit's share of CGES profit, user fees, and APF, and be prepared to adjust the scope of MWR activities if anticipated funds are not realized. See Chapter 6 of this Instruction for detailed budget guidance.
  2. Establish and operate a variety of MWR activities to meet the needs and interests of all personnel.
  3. Direct the operation of the unit morale fund in accordance with this Instruction and other applicable directive.
  4. Ensure financial statements are prepared, audited, and forwarded as directed in Chapter 8 of this Instruction.
  5. Ensure annual completion of Appendix C. of this Instruction.
  6. Appoint a MWR Officer/Director and, if deemed appropriate, a separate custodian of the morale fund.
  7. Budget for APF which are authorized to support the MWR program.
  8. Coordinate command expertise to assist and advise in morale administration and MWR activity supervision.
  9. Take corrective action on recommendations of audit boards, advisory groups, and higher authority that are in the best interest of the Coast Guard.

10. Ascertain that the morale fund is being properly administered and its funds safeguarded, that all income has been received and properly recorded, and that all disbursements are made only for authorized purposes.
  11. Verify that physical resale inventories of Category B and C activities are conducted and are accurate.
- F. MWR Director/Officer. At commands where no APF military or civilian position has been established by Commandant, and a morale fund has been established, the commanding officer shall appoint, in writing, a commissioned officer (when available) to act as MWR Director/Officer. In cases where a commissioned officer particularly qualified by experience or technical competence is not available, the appointment of an enlisted person (preferably a chief petty officer) or civilian is authorized. This appointment shall be based on the unique qualifications of the individual and the complexity of the MWR program. In addition to the other responsibilities detailed in this Instruction, the MWR Director/Officer, especially those at Bases, whether assigned or appointed by the local commanding officer, shall:
1. Actively promote MWR's mission readiness, resiliency, and retention responsibilities.
  2. Market MWR programs and their benefits to all units throughout the AOR.
  3. Develop MWR-related APF requirements at the command and throughout the AOR, as appropriate.
  4. Manage NAF MWR funds received from the CSC or the cognizant authority. Ensure amounts are correct. Make any distributions to AOR units based on approved methodology.
  5. Develop a balanced MWR budget and administer the use of MWR funds. See Chapter 6 of this Instruction.
  6. Develop and conduct a well balanced and financially sound MWR program within the AOR.
  7. Act as technical expert on MWR issues. Assist the command and any AOR units with issues involving the use of APF and NAF within the MWR program.
  8. Conduct desk audits of any MWR reports received. Provide any feedback and corrections to units, as appropriate.
  9. Monitor reporting requirements, including financial audits.
  10. Prior to approval, review resale authorization requests throughout AOR to ensure units have the technical competences to manage resale inventory in accordance with Chapter 8 and Appendix P. of this Instruction. This may be accomplished with a review of past morale fund report submissions of a unit (i.e. timely submission of reports, reports



submitted without errors, financial audits conducted as prescribed) and other factors in which CSC may not have visibility.

11. Conduct MWR visits to units within the AOR, as necessary, and use the MWR Program Checklist, Appendix C. of this Instruction as a guide.
  12. Conduct MWR audits at the unit and AOR commands, as appropriate. Ensure all MWR accounts within the AOR are properly audited and documented with separate, written audit reports per established policy.
  13. Be the central point of contact for the commercial sponsorship program and assist any AOR commands, as appropriate.
  14. Coordinate sports grants and the Elite Athlete program throughout the command and AOR, as appropriate.
  15. Coordinate any MWR events, as required.
  16. Operate MWR activities.
  17. Coordinate the purchase, custody, and issuance of MWR equipment.
  18. Train, supervise, or provide guidance to personnel assigned in the specialized functions of MWR.
  19. Coordinate relations with adjacent communities and other commands with respect to MWR matters.
  20. Conduct a MWR User Survey every three years.
- G. Custodian of Unit Morale Fund. Generally, the MWR Officer will also act as custodian of the morale fund. However, the commanding officer may assign in writing an officer, enlisted member, or civilian to serve as custodian of the morale fund. No individual may serve as a morale fund custodian or acting morale fund custodian whose duties include the custody and disbursement of other cash funds. The morale fund custodian shall be a member of the command with the morale fund. Commanding Officers shall also ensure that the risks associated with the proper separation of duties are minimized when assigning MWR funds management responsibilities.
1. Responsibilities: The custodian shall:
    - a. Account for all receipts (expenditures and income).
    - b. Validate propriety of expenditures.
    - c. Control and account for all MWR property.

- d. Receive, safeguard, deposit, disburse, and account for all morale funds.
  - e. Maintain accurate, auditable accounts and records.
  - f. Prepare reports in accordance with Chapter 8 of this Instruction. All records will be maintained in accordance with Reference (g).
2. Loss of Funds. Morale fund custodians are not bonded and there is no central insurance to cover fidelity losses of MWR funds. Supplemental insurance coverage at the local level is not authorized. Regardless of the results of any investigation, local MWR funds will be expected to absorb any losses.
  3. Absence of Custodian. When the custodian of the morale fund is absent from the activity on a temporary basis and cannot fulfill the responsibilities of Paragraph 2.F.1 above, the commanding officer shall properly designate another individual to act as custodian. The person acting in the custodian's absence shall sign a memo receipt for the fund. Upon permanent relief, the custodian shall be relieved in accordance with the procedures prescribed below.
  4. Relief of Custodian. To affect relief, the custodian shall:
    - a. Transfer all funds, property, and equipment as determined by physical inventories, subsequent to the audit, as required by Chapter 8.C.3 of this Instruction.
    - b. Review all records, accounts, vouchers, bank accounts, and note all shortages, missing documents and/or deficiencies.
    - c. Prepare a relief Morale Fund Financial Statement (CG-2985), or equivalent, signed jointly by the person being relieved and the person relieving. The original shall be delivered to the commanding officer, a copy retained by the person affecting relief, and a copy retained in the unit files. For units that have the CSC as their cognizant authority for MWR purposes, a copy shall be forwarded to the CSC. Any deficiencies or shortages shall be noted in the statement of relief.
    - d. Verify all items included in the MWR Program Inspection Checklist, Appendix C. to this Instruction.
- H. Morale Committee. Morale committees shall act in an advisory capacity, only. They are to be an avenue of communication between the MWR user and the command. They may also assist the MWR Officer/Director in conducting the MWR User Survey. Morale committees are required at units with an established morale fund. The morale committee shall consist of representative personnel designated in writing by the commanding officer. If more than one command is involved, there shall be representation from all commands. The chairperson shall be appointed by the commanding officer. Each member shall have one vote. The MWR Officer/Director shall attend the meetings of the committee to supply information regarding directives, activities, and the availability of funds, but shall not have a vote. A

report in format like Appendix F. shall be submitted expressing its views and recommendations to the commanding officer. Once approved or disapproved, the commanding officer should ensure that these decisions get the widest dissemination. Members of the morale committee shall not receive financial remuneration in cash, goods, or services for any function performed as a member of the committee.

- I. Advisory Board (optional). At units that have significant MWR oversight for subordinate unit programs, and where morale funds are administered for the benefit of several subordinate units for MWR purposes, it may be desirable to establish an advisory board. If appointed, the Board will consist of representative members. The senior member will chair the board. The Board works in an advisory capacity to the commanding officer and should make a report of each meeting including items considered and the Board's recommendations. The Board's scope may include, but is not limited to:
  1. Review and make recommendations on subordinate unit requests.
  2. Review programs offered through MWR.
  3. Review the MWR operation of collocated units.
  4. Review policies involving unit MWR.
  5. Review and make recommendations on new programs or facility plans.
  6. Include any CGX store manager as a member of the Board.

The MWR Officer/Director shall work closely with the Board to prepare the agenda and provide background or financial information where necessary. The MWR Officer, however, shall not be a voting member.

## CHAPTER 3 AUTHORIZED PATRONAGE OF MWR PROGRAMS

### A. General.

1. Authorizations shown below will be used to determine program access, except where authorization conflicts with international agreements.
2. These authorizations do not apply to military exchanges, especially facilities and programs operated principally by CGX. Access to military exchanges and their programs shall be in accordance with Reference (a).
3. The fundamental basis for APF support in MWR programs is to provide a non-pay compensation benefit to active duty members and their dependents in support of mission readiness, resiliency, and retention. To this end, active duty military personnel and their dependents have priority access to all MWR programs. However, in the spirit of maximizing the availability of these non-pay compensation programs and activities, commanding officers shall attempt to make them available to all eligible patrons, especially Category C MWR activities. If MWR facilities cannot accommodate all authorized patrons, the unit commanding officer, officer-in-charge shall determine specific use priorities based upon the capacity of the facilities and patron demand. The priorities for those authorized to use MWR facilities in such situations shall be based on the listing below. All patron groups listed below are authorized to purchase food and tax-free beverages for on-premises consumption only even if otherwise not eligible to procure these products. This shall not be construed to authorize the procurement of these products if restricted due to other statutes or regulations. Policies regarding the use of CDCs will be governed by the guidance contained in Reference (h). Commands have the discretion to authorize pets in MWR activities where it may make sense to do so, such as in lodging facilities. Patrons with disabilities that require the assistance of trained service animals shall not be denied access to MWR activities based on their need for these animals. Trained service animals shall be kept under the control of their owners at all times. Cleanup after the animal is the responsibility of the patron.
4. Any individual purchasing products or services from an MWR activity shall be positively identified as an authorized patron before the consummation of a sale. The credentials of patrons shall be carefully checked to ensure that each individual is entitled to patron privileges. Sales shall be made only to authorized patrons.

### B. Patronage for All MWR Programs.

1. All active duty personnel and their dependents. Note 1: This includes foster children, exchange students, and unaccompanied au pair foreign nationals, while sponsored by and residing with military families who are authorized MWR beneficiaries. Foster children are defined as children, other than the sponsor's biological or adopted children, who are residing in a sponsor's home, and whose care, comfort, education, and upbringing have been entrusted to the sponsor on temporary or permanent basis by a court or civilian agency, or by a parent of the child. Note 2: For CDC Patronage see Reference (h).

2. Members of the ready reserve, reserves in training, members of the National Guard, and their dependents.
3. Military cadets of service academies.
4. Commissioned Corps of the Public Health Service and their dependents.
5. Commissioned Corps of National Oceanic and Atmospheric Administration on active duty and their dependents.
6. Armed Forces retirees from active duty and their dependents.
7. Armed Forces retirees from reserves with/or without pay and their dependents.
8. Service-connected disabled veterans, to include veterans with disability ratings from 0 to 100 percent, former Prisoners of War, Purple Heart recipients, Medal of honor recipients and their dependents and Primary Caregivers of veterans.
9. Unremarried surviving spouses of military personnel who died while on active duty or while in retired status, and dependents.
10. Unremarried former spouses who were married to a military member for at least 20 years while the military member was on active duty of the armed forces, and their dependents.
11. Surviving children of a Service member, when not adopted by new parents, under 21 years old (or over if they are incapable of supporting themselves, or 23 years old if they are in full-time study).
12. Department of Homeland Security (DHS) and Department of Defense (DoD) civilian employees and their family members when stationed outside the United States.
13. U.S. Federal employees when stationed outside the United States.
14. Medical personnel under contract to the Coast Guard or Department of Defense when they are residing on the installation.
15. Military and civilian personnel of foreign nations and their family members when on orders from the United States Armed Forces, or in overseas areas when the host command grants privileges in the best interest of the United States.
16. Paid members of the American Red Cross (ARC), Young Men's and Women's Christian Association, United Service Organizations (USO), and other private organizations when assigned to and serving with the U.S. Armed Forces overseas. This typically does not apply to Coast Guard commands. Guidance may be obtained from CSC should the need arise.

17. U.S. citizens employed by firms under contract to the Department of Homeland Security or the Department of Defense working on an installation when assigned in areas outside the United States.
18. DHS/DoD APF and NAF funded civilian employees and their dependents and retired APF and NAF civilian employees and their dependents and Coast Guard Auxiliaries.
19. DHS/DoD contract personnel and technical representatives working full time at a Coast Guard unit.
20. Reserve Officers Training Corps (ROTC) cadets when participating in exercises or practice cruises with the Coast Guard.
21. Other Federal employees and contractors when working on the Coast Guard installation.
22. Military Housing Privatization Initiative (MHPI) employees and residents on the installation.
23. Foreign National Employees. NAF and APF foreign national employees assigned and working directly for DHS/DoD installations overseas if Status of Forces Agreement (SOFA) or other international agreements or local laws do not prohibit and the local command determines it is in the best interests of the unit. Annual recertification of the employee by the command is required.
24. Guests, when specifically invited and accompanied by an authorized patron for whom the authorized patron assumes full responsibility, may use the same programs and facilities as the authorized patron. Unit commanding officers may authorize local policies governing the number of guests and the frequency of use at specific facilities.
25. Leaders in the local community designated by the commanding officer. Leaders shall be recertified annually. Applicable to community leaders overseas if SOFA or other international agreements or local laws do not prohibit and the unit commanding officer determines that it is in the best interest of the command.
26. Members of the local community may attend infrequent MWR sponsored events or use Category C programs and facilities on a continual basis, when authorized and specifically documented by the commanding officer on a space-available basis and under the following conditions:
  - a. The command determines in writing that adequate facilities are available and are currently under-used by authorized patron.
  - b. Written agreements are obtained from local city officials, the Chamber of Commerce, and other appropriate community leaders indicating that they have no objections to expanded use of MWR programs or facilities.

- c. It is determined in writing that allowing these individuals to use these facilities is beneficial to both authorized patrons and civilians in the community.
- d. No conflict exists with Federal, State, or local laws.
- e. The sale of beverages by MWR is restricted to amounts (items, bottles, cans, etc.) to be consumed on the premises.
- f. Use of these MWR programs and facilities by these individuals will be limited to a maximum of 1 year; annual recertification is required.
- g. If deemed appropriate, a list of individuals granted access to these MWR facilities and programs shall be maintained.
- h. Notification of any determination by a commanding officer authorizing members of the local community to use Category C programs shall be made to the CSC.

**CHAPTER 4 CLASSIFICATION OF MWR ACTIVITIES**

- A. General. MWR activities are divided into three Categories: Category A, Category B, and Category C, with the level of direct APF support authorized as defined in Chapter 6 of this Instruction.
- B. Category A: Mission Sustaining. This Category contains those activities that are considered most important for the physical and mental well-being of the military member, a requirement that supports accomplishment of the basic military mission. They shall be supported almost entirely with APF, with the use of NAF limited to specific instances where APF is prohibited by law or where the use of NAF is essential for the operation of a facility or program. Because of this, fees are not normally charged for activities in this Category unless there is an associated NAF expense; therefore, virtually no revenues are generated. Category A activities are authorized the maximum amount of APF funding support of the three MWR Categories. Also included are all consolidated support service functions such as accounting, procurement, or personnel services for one or more MWR activities, regardless of Category. Category A activities include:
1. Armed Forces professional entertainment programs Overseas and provided free.
  2. MWR consolidated support service offices.
  3. Gymnasium/physical fitness/aquatic training facilities.
  4. General libraries information services program.
  5. On-unit park and picnic areas.
  6. Recreation centers/rooms.
  7. Shipboard activities or unit level programs.
  8. Free admission motion pictures.
  9. Sports/athletics (self-directed, unit level, and intramural).
  10. Basic social recreation programs.
  11. Warfighter and Family Services (WFS) Programs.
  12. Single service member programs.
- C. Category B: Basic Community Support Activities. Category B contains activities closely related, in terms of supporting the military mission, to those grouped in Category A. These programs satisfy the basic physiological and psychological needs of service members and dependents, providing to the extent possible, a community support system that makes Coast Guard units temporary home towns for a mobile military population. These activities differ



from those in Category A primarily, because fees are usually charged for participation and thus some revenue, although limited, is generated. These activities are not expected to sustain themselves based purely on the fees charged. These MWR activities are generally supported by a mixture of APF and NAF. Category B activities include:

1. Amateur radio.
2. Arts and crafts skill development.
3. Automotive skills development.
4. Bowling centers (16 lanes or less).
5. Child Development Centers (CDC).
6. Community centers.
7. Performing arts (music, drama, theater, and social events).
8. Boating without resale or private boat berthing.
9. Directed outdoor recreation.
10. Recreational information, tickets, tour and travel (ITT) services.
11. Recreational swimming.
12. Sports programs (above the intramural level).
13. Youth activities.
14. Camping (primitive or in tents).
15. Riding stables (government owned or leased).
16. Outdoor recreational equipment checkout.
17. Service member techno-activities center.

D. Category C: Business Activities. Category C activities have the highest capability to generate revenue through the sale of goods and services to authorized patrons for use in specific morale programs. Activities in this group have the business capability of generating enough income to cover most of their operating expenses but lack the ability to sustain themselves based purely on their business activity. Consequently, these activities receive limited APF support. Category C activities include:

1. Aquatic centers.

2. Food and beverage operations, including snack bars, soda fountains, and military clubs.
3. Temporary lodging facilities.
4. Recreational lodging (cabins, cottages, trailers, trailer and/or recreation vehicle parks with hook-ups).
5. Vehicle storage.
6. Bowling centers (over 16 lanes).
7. Catering.
8. Golf courses and driving ranges.
9. Amusement machine locations and centers.
10. Animal care (kennel or veterinary services).
11. Armed Forces Recreation Centers (accommodation/dining and resale facilities).
12. Bingo.
13. Monte Carlo.
14. Joint Service Facilities and Military Services Recreation Centers.
15. Marinas and boating activities with resale or private boat berthing.
16. Motion pictures (paid admission functions only).
17. Motorcycle clubs.
18. Equipment rental to include rolling stock.
19. Rod and gun clubs.
20. Scuba/diving.
21. Skating rinks.
22. Horseback riding program and stables.

23. Business activities are authorized only limited APF support. Certain units with Category C activities may not be capable of self-sufficiency due to extenuating circumstances. Those Category C activities at units designated as remote and isolated for MWR program purposes, are authorized, generally, the same type of funding as Category B-type activities. These exemptions are allowed because these locations are isolated or are exceptional due to conditions that make them very similar to isolated and remote locations. In order to obtain this designation of a Category C activity as remote and isolated, the unit shall submit a written request to the CSC. In the request, the commanding officer shall address the following factors:
- a. Financial capability of the Category C activity for self sufficiency.
  - b. Past performance of the Category C activity.
  - c. Amount of assistance or support provided by the command.
  - d. Special security conditions, if applicable, such as continued threat of civil disorder, political unrest, criminal activity, or terrorist attack that prevents authorized personnel from using on or off-base activities.
  - e. Extreme climatic or environmental conditions that routinely, and for extended periods, prevent the use of off-base activities.
  - f. Locations where the mission requires a capability to provide MWR support as a result of significant temporary increase or decrease in personnel who are not part of the regular complement of the unit, but are assigned for training, for liberty, or other temporary purposes.
24. In order to continue Category C MWR activities during force protection conditions CHARLIE and above, commanding officers are authorized to support their Category C MWR activities with APF fund support in the areas of rents, custodial and janitorial services, and installation management and supervisory function of the activity, with the exception of personnel directly and primarily involved in resale. This authority does not apply to golf courses. This authority is provided to operate Category C MWR activities only during such periods as necessary to help sustain their capability to generate NAF to support Category B basic community MWR programs and to maintain readiness. The purpose is not to subsidize Category C activities to preclude a financial loss. Units utilizing this authorization shall ensure that accounting mechanisms are in place to account and report the support by element of expense as APF fund support to the MWR program, as necessary.

## CHAPTER 5 MORALE, WELL-BEING, AND RECREATION PROGRAM DESCRIPTION

- A. CATEGORY A: Mission Sustaining Programs. Programs within this category promote the physical and mental well-being of the military member, a requirement that supports accomplishment of the basic military readiness mission. These programs shall be supported almost entirely with APF, with the use NAF limited to specific instances where APF are prohibited by law or where the use of NAF is essential for the operation of a facility or program.
1. Armed Forces Professional Entertainment Program Overseas. Acquisition and support of professional entertainment provided free to Armed Forces personnel deployed or overseas.
  2. MWR Consolidated Support Service Office. Personnel, operating, and capital expenditures necessary to manage and oversee a total MWR program for a unit or multiple units.
  3. Gymnasium/Physical Fitness/Aquatic Training. Programs that develop the components of aerobic capacity, muscular strength, muscular endurance, and flexibility of military personnel. Includes swimming programs associated with service member training. (It does not include those recreational swimming programs in Category B or associated with Category C membership club programs.) See Appendix G. for guidance pertaining to aquatic training and swimming pool operations. The use of APF to obtain Coast Guard memberships in fitness centers, gymnasiums, and aquatic centers to provide active duty members the physical fitness activities provided in this section is authorized. Golf memberships may also be authorized only in those instances where no other recreational/physical fitness activities are available within a 75-minute commute of the unit. All memberships shall be procured in the name of the Coast Guard and the applicable sections of Reference (i).
  4. General Libraries and Information Services Program. Supports readiness and the military mission, quality of life (QOL) voluntary education, professional and technical education and training, Internet access, lifelong learning, transition and career assistance, and the leisure needs of the military communities. Components may include library buildings, multimedia resource centers, information centers, or similarly named entities. Generally, they do not include those libraries whose primary purpose is to provide technical reference and information related to training centers, military occupational specialty education or Coast Guard reference facilities.
  5. On-Unit Park and Picnic Areas. Provides on-unit picnic areas, barbecues, pavilions, game fields, fitness trails, nature centers, playgrounds, etc. for self-directed use.
  6. Recreation Centers/Rooms. Provides a comprehensive MWR program with both directed and self-directed individual and group activities, specifically targeted for the installation community as a whole, but with special emphasis on military personnel. These facilities may include internet cafes, game rooms with video games, billiards, table games and

table tennis, television and movie rooms, music rooms, classrooms, etc., to allow participation in a variety of social, competitive, and educational activities. These programs may be stand-alone, consolidated, and/or integrated programs that best meet the needs of the community they serve. Facilities should be configured to accommodate diverse services and designed with flexibility that allows modifications based on changing community interest and needs. These facilities may incorporate other programs such as food and beverage services, which are Category C Activities.

7. Shipboard Activities or Unit Level Programs. Activities that maintain mission readiness, improve unit teamwork, and create esprit de corps, not otherwise defined in this Chapter. This may include the procurement of transportation (bus/van) to get military crew members to/from a facility or event.
8. Free Admission Motion Pictures. Free motion picture entertainment available to floating commands, deployable units, deployed military personnel and civilians, or other units as specifically authorized in writing by CSC.
  - a. Programs. The Coast Guard entertainment motion picture program consists of two subprograms:
    - (1) Commercially procured, prerecorded entertainment motion picture program.
    - (2) Navy Motion Picture Service (NMPS) program.
  - b. Commercially Procured Prerecorded Entertainment Motion Picture Program.
    - (1) Section 106 of Title 17 of the U.S. Code provides that prior permission from copyright owner is required for public performance or displays of a copyrighted work. Performances or displays in the following locations are not considered "public," and do not require the prior permission of the copyright owner, provided the performances or displays are made without any purpose of direct or indirect commercial advantage and without charge to the attendees:
      - (a) Coast Guard vessels.
      - (b) Unaccompanied Personnel Housing.
      - (c) Day rooms.
      - (d) Coast Guard Dining Facilities.
      - (e) Residential facilities.
      - (f) Recreational facilities.
    - (2) Performances or displays of prerecorded entertainment motion pictures in "public" areas, without the prior permission of the copyright owner, are

prohibited. Clubs/food and beverage facilities are considered "public" areas within this prohibition.

- (3) Use of audio and video duplicating and playback equipment and facilities for reproduction of copyrighted sound or video recordings without permission of the copyright owner is prohibited.
  - (4) Display of prerecorded entertainment motion pictures purchased or rented by individual Coast Guard members on playback equipment is permissible in those locations indicated in Paragraph 8.b.(1), above.
  - (5) Motion pictures productions containing the following will not be acquired or displayed:
    - (a) Portrayal of the U.S. Government or any of the U.S. Armed Forces in a derogatory manner.
    - (b) Foreign propaganda critical of the U.S. Government and its institutions or subversive material advocating the overthrow of the U.S. Government by force or violence.
    - (c) Material tending to foment prejudice or criticism based on the categories listed in Chapter 1.G.
    - (d) All X-rated films and sexploitation films, i.e., films in which the primary content is erotica, or the primary result is to arouse sexual desire.
    - (e) Those films that glorify the use of illegal drugs, or portray members of the U.S. Government, U.S. Armed Forces, or U.S. law enforcement agencies, as a majority, as users of illicit drugs.
    - (f) Commands shall adhere to the motion picture industry rating standards when authorizing attendance at any motion picture showing.
  - (6) This policy does not regulate the procurement or use of copyrighted works for authorized official purposes.
- c. Navy Motion Picture Service (NMPS) Programs.
- (1) Eligible units may also receive prerecorded motion picture/encrypted movies through the NMPS.
  - (2) Details of the NMPS are described in detail in Appendix H.

9. Sports/Athletics (self-directed, unit level, intramural). Supports for individuals and teams to enhance individual fitness, unit teamwork, and readiness. May also include sports that require the unit to participate off base due to the lack of facilities, such as bowling.
  10. Basic Social Recreation Programs. Provides self-directed individual and self-directed and/or directed group activities that promote stress relief, such as video games, entertainment videos, board games, social events, and Internet access.
  11. Warfighter and Family Services (WFS) programs. These programs may encompass a variety of programs to enhance an individual's QOL, such as information to help people make sound life skills decisions; assistance to parents in balancing the competing needs of parenting and mission accomplishment; crisis assistance; educational opportunities through lifelong learning; preventive education on unhealthy lifestyles; coaching assistance through prevention and referral to treatment; brief, solution-focused non-medical clinical counseling; education and intervention to build healthy family and personal relationships; and volunteer coordination. Unit family readiness programs provide support through proactive outreach and intervention through official communication, information and assistance, and Service member and family readiness and deployment support. Additionally, these services connect with the mobile military lifestyle by providing assistance during deployments, relocation, and transition to civilian life. Services include financial counseling and assistance with career decision-making, job seeking, and the adjustment of Service members and their families to life in the military. The target population of WFS programs includes single and married Service members, family members, parents, dual-Service couples, special needs families, and retirees.
  12. Single Service Member Programs. Promoting Activities for Single Sailors (PASS) programs address single Service member QOL issues and initiatives and support unit commanding officers by providing a forum through which single Service member QOL concerns are identified and recommendations for improvement are made. Additionally, this forum provides a means to assess the interests and needs of single Service members. QOL for single Service members, includes all those concerns that can directly or indirectly influence morale, living environment, personal growth, and development.
- B. CATEGORY B: Basic Community Support Programs. These programs satisfy the basic physiological and psychological needs of Service members and dependents, providing to the extent possible, the community support systems that make Coast Guard units temporary home towns for a mobile military population. These programs are closely related to those in Category A in supporting the military mission.
1. Amateur Radio. Long distance two-way radio operation associated with the Military Auxiliary Radio System (MARS) and amateur radio. Amateur (Ham) Radio is the use of designated radio frequency spectrum for the purposes of private recreation, non-commercial exchange of messages, wireless experimentation, self-training, and emergency communication. Reference (j) may contain further guidance. Specific

guidance for the MARS program may be found in the Department of Defense Instruction, DoDI 4650.02.

2. Arts and Crafts Skill Development. Programs that emphasize learning by "doing" through formal and informal instruction in fine arts, crafts, and industrial and vocational arts.
3. Automotive Skills Development. Automotive and electromechanical skill development programs that promote learning by the member "doing" through formal and informal instruction. Automotive repairs or work by MWR staff is not authorized.
4. Bowling Centers (16 Lanes or Less). Bowling programs and centers having 16 lanes or less, offering services such as bowling resale, food and beverage, bowling instruction, open play bowling, and league bowling. The resale operations are only authorized as Category C MWR Activities.
5. Child Development Centers. Child development services are defined in detail in Reference (h).
6. Community Centers. Those facilities and/or programs that are provided for the general enjoyment of the unit's community.
7. Performing Arts (Music, Drama, Theater and Social Events). Programs that provide for skill development through formal or informal instruction as well as opportunities for self-directed recreation at theater centers, dinner theaters, music centers, performing arts centers, pageants, special entertainment events, community activities and social events (i.e., Coast Guard Balls).
8. Boating Without Resale or Private Boat Berthing. Program may include operation of a marina without resale or private boat berthing. The operation of a snack bar, restaurant, or resale outlet associated with a marina is authorized only as a Category C program. Boats and equipment are MWR-owned and operated. Due to the high risks associated in the operation of a recreational watercraft activity, CSC authorization shall be on file to operate morale watercraft within the MWR program. No vessel, as defined in 1 U.S.C. § 3, may be operated within the MWR program without this authorization. Any changes to the vessel inventory at a unit shall also be reported to CSC. A request, to operate watercraft within the MWR program, shall be routed to CSC for approval through the unit's applicable cognizant authority for MWR purposes. Sample request templates may be located at [www.uscg.mil/mwr](http://www.uscg.mil/mwr) under Professional MWR Resources. To safeguard against the hazards that may befall the inexperienced or unwary boater, and to ensure that any boating program operated by MWR is safe to the maximum extent possible, commanding officers that operate a MWR recreational boating program shall also provide, for approval, a draft unit instruction or SOP including at a minimum:
  - a. Familiarization and compliance with all Federal and State boating regulations and safe boating practices, based on the successful completion of the U.S. Coast Guard



- Auxiliary safe boating class or any other Coast Guard Auxiliary approved class in the case of paddle craft or any course of instruction approved by the State in which the watercraft will be used. Any alternate safe boating classes or courses shall also be approved by the National Association of State Boating Law Administrators (NASBLA). Written confirmation of this completion shall be provided by the user. Additionally, the consumption of alcoholic beverages by operators and/or passengers of MWR boats is strictly prohibited.
- b. Familiarization with the unit's boats and local boating areas, as determined by written and practical test conducted by a unit member with the technical capabilities to administer. Boat operating areas shall be strictly defined in written unit boat use policies.
  - c. Required safety equipment is on board when boats are issued for use and complies with USCG Auxiliary Courtesy Marine Examination (CME) equipment requirements.
  - d. Individual instruction in the use of safety equipment.
  - e. A sign posted conspicuously in each recreational boat that "PFDs will be worn by each occupant at all times."
  - f. Eligible members checking out a recreational boat shall indicate in writing their responsibility to ensure that the occupants wear PFDs and shall execute a use agreement, attesting to the condition of the boat, their qualifications to use it, the safety equipment on board, and a Hold Harmless/Indemnification clause. The use agreement may be obtained through the Servicing Legal Office (SLO) or CSC.
  - g. The requirement to file a float plan with the command. At a minimum, the float plan shall include the names of the patrons using the watercraft, contact information for a point of contact not using the watercraft, anticipated location where the watercraft will be used, and the expected date and time the watercraft will return.
  - h. Classes are offered by the USCG Auxiliary and U.S. Power Squadrons and shall be used in developing safe boating programs. (For information on location of courses call Boat US at 1-800-245-BOAT.).
  - i. Units shall register their recreational boats in accordance with laws and regulations of the State in which they operate.
9. Directed Outdoor Recreation. Programs that provide instruction and structured outdoor recreational activities (archery, hunting, fishing, rappelling, hiking, backpacking, bicycling, mountain biking, boating, canoeing, camping jamborees, water and snow skiing, etc). Equipment is purchased with APF and NAF for the purpose of being checked out to participants in MWR programs. Fees may be charged to recover all or part of any NAF costs associated with providing this service. The purpose of charging fees is not to generate a profit, but rather to offset the NAF expense of providing the activity.

Checkout equipment may include tents, coolers, sleeping bags, stoves, skis, canoes, boats, bicycles, and other equipment that support the program. Sale of incidental items such as lantern fuel and similar accoutrements is authorized.

10. Recreation Information, Tickets, and Tour and Travel Services. Typical services include information brochures and recommendations concerning local and regional attractions; local or group tours, etc.; tickets to local movie theaters, concerts, plays, sports events, museums, etc.; admission to regional or national theme parks; and provisions for central registration and advance sales for most MWR facilities, services, and programs at the unit. This program also includes such variations as ticket reimbursement, where a member presents proof of attendance and the morale fund reimburses for all or a portion of the ticket price. All tickets purchased for distribution, resale, or reimbursement shall be purchased with NAF. This includes tickets purchased for season sports events and entertainment events, like season baseball tickets. Also included is unofficial commercial leisure travel services, which may be provided from either transportation-managed offices or MWR facilities dedicated exclusively to leisure travel products and services, e.g., air, rail, and bus tickets; packaged tours; group tours; cruises; and travel insurance. This may also include remote or automated services to satisfy requirements of installations that lack sufficient volume to justify a staffed office. Units are authorized to establish an event ticket reimbursement program, using NAF to provide members the ability to take advantage of entertainment venues at a subsidized cost. Any reimbursement program shall be covered under a unit instruction, shall be within the commuting area of the unit, and shall be accounted for in the annual NAF MWR budget.
11. Recreational Swimming. Swimming programs in a recreational environment. See Appendix G. regarding guidance on swimming pool operation.
12. Sport Programs (above intramural level). Competition by individuals or teams representing the unit or higher level. Inter-Service sport competition events sanctioned by the Armed Forces Sports Council as well as participation in national and international sporting events such as the Pan American Games, Conseil International du Sport Militaire (CISM), and the Olympic Games.
13. Youth Activities. A comprehensive series of planned and self-directed activities and events responding to the recreational, developmental, social, physiological, psychological, cultural, and educational needs of youth through the age of 18 years old. A full range of community-based educational, social, cultural, recreational, and physical activities that promote the healthy development and transition to adulthood of eligible patrons through the age of 18 years old. These activities support the acquisition of lifelong skills and are offered within a physically and emotionally safe environment that includes appropriately trained staff. A Youth Center or Community Center may serve as the "hub" for most activities. Chapter 7 of this Instruction describes staffing requirements associated with providing youth services and programs. In addition to the other requirements contained in this Instruction, commands with youth center programs shall also:

- a. Ensure monthly fire inspections are conducted on the facility by a staff member with the expertise to conduct these inspections. Written documentation of these inspections and correction of any discrepancies shall be retained.
- b. Ensure that daily fire inspections are conducted by a staff member prior to using the facility to ensure exits are in proper condition, unobstructed, unlocked to egress, easy to open, and all egress paths are free from debris, ice, snow, etc. Commands should work with fire inspections staffs to develop a local inspection to use for their facilities.
- c. Ensure a safety-trained staff member conduct daily safety inspections for indoor and outdoor areas and equipment prior to use. The inspection reports shall be signed and dated with action taken to correct deficiencies noted. The inspections shall be kept on file.
- d. Ensure monthly health inspections are conducted on the facilities. The inspection report shall be kept on file with action taken to correct deficiencies noted.
- e. Ensure a fully equipped first aid kit is readily available and maintained, including on sports fields and on field trips.
- f. Ensure fire drills are conducted at least monthly. The results of the drill are to be kept on file.
- g. Ensure any animals brought into contact with the youth have been checked by a veterinarian and are certified as safe and healthy to be with youth.
- h. Ensure a complete health history of the youth is maintained on file and staff is aware and can accommodate any health issues of the youth.
- i. Ensure that to the maximum extent possible, at least two staff members are on duty with the youth at all times.
- j. Ensure that on field trips and in a travel status, there are mixed gender chaperones and chaperoning mixed gender youth.
- k. Ensure with youth who have special needs have been identified are provided youth programming when their needs may be reasonably accommodated.
- l. Ensure that when youth are being transported, the vehicles in which they are riding are inspected, registered and maintained as required appropriate State or federal requirements.
- m. Ensure that any food prepared, handled, transported, served, and stored are done so in accordance with Coast Guard policies.

- n. Ensure that at least one staff member when the facility is open is trained in CPR and First Aid.
  - o. Ensure any injury or suspected abuse is reported immediately to the command in accordance with Coast Guard policies and directives.
14. Camping (primitive or in tents). Small campgrounds operated to provide camping as the primary recreation activity or to support participation in adjacent outdoor recreation activities. The operation of a snack bar, restaurant, or resale outlet is authorized only as a Category C activity.
15. Riding Stables (Government owned or leased). Government owned or leased horses used for recreational riding.
16. Outdoor Recreational Equipment Checkout. Equipment supports directed and self-directed participation in outdoor programs. Equipment is either purchased with APF or NAF for the purpose of being checked out to participants in MWR programs. Fees may be charged to recover all or part of any NAF costs associated with providing this service.
17. Service Member Techno-Activities Center. A multi-purpose facility where active duty personnel can socialize and participate in individual and competitive activities offered for a modest fee. Fee based services may include recreational and competitive activities using platforms (e.g., arcade, audio, console, handheld, online, computer) for a variety of genres (e.g., action, adventure, role playing, simulation, sports game tournament strategy). The center may also include sound and lighting for commercial, high tech entertainment and sports events, WiFi access, special events, social activities, and meetings space. Service members will not be charged a user fee for WiFi or related internet services provided directly to the user. However, when WiFi and related internet services are offered via a private contract, user fees may be charged. The fee-based nature of the activities differentiates the program from category A programs. While targeted at junior active duty personnel, the center should be configured to accommodate diverse services and designed with sufficient flexibility to allow modifications based on changing technology, trends, interests, and needs. The center may incorporate sports bars and other food and beverage operation which are Category C MWR Activities. Patronage is restricted to active duty personnel and the accompanied guests, 18 years of age and older. Games of chance are not authorized.
18. Other. Other general recreation skill programs to include classes, lessons, seminars, etc.
- C. CATEGORY C: Revenue Generating Programs. These highly desirable programs are means of providing recreational activity, with the attendant morale benefit. Activities in this group have the business capability of generating enough income to cover most of their operation expenses but they lack the ability to sustain themselves based purely on their business activity. Consequently, the activities receive limited APF support. Units desiring to establish Category C MWR business activities shall have the prior written approval of the CSC. The requirements for establishing Category C MWR activities are contained in

Chapter 6.G.4. of this Instruction.

1. Aquatics Centers. Commercial grade water theme parks.
2. Food and beverage operations including snack bars, soda fountains, restaurants, casual dining facilities, and military clubs. The operations of food and beverage establishments are detailed in Appendix I. Official command functions are not MWR events even when held in MWR facilities. APF shall be used for all authorized personnel, building, equipment, and supply costs when the MWR facility is used to support official mission, protocol, and community support functions to include events that support and foster community relations, basic military gatherings such as commander's calls and pre- and post-deployment briefings, and events that support the development of unit esprit de corps and home station family sustainment.
3. Temporary Lodging Facilities. Are facilities built, leased, acquired, maintained, managed, or operated by MWR (or contracted or acquired through the NAF contracting process) for patrons who are in an off-duty status. They may also be used by individuals and families who are in a PCS or temporary additional duty (TAD) status if non-MWR housing facilities or temporary housing is not available.
  - a. There are three basic classifications of temporary lodging: PCS lodging, TAD lodging, and recreational lodging. PCS lodging is that with a primary emphasis of providing lodging facilities to those members reporting-in or departing-from a duty station. Temporary Additional Duty lodging has a primary purpose of providing lodging at a command for those in a TAD status. Finally, recreational lodging is provided for recreational purposes only. PCS lodging and TAD lodging may also be used for recreational lodging but only after the primary purposes of these facilities has been met. MWR houses used for TAD or PCS purposes will not be used for berthing mixed gender personnel unless the use is by an eligible patron and his/her dependents.
  - b. All lodging facilities are recreational and classified as Category C Activities unless specifically designated as Category A Activities. The CSC has the authority to designate these lodging facilities as PCS or TAD lodging facilities. Commands requesting that their lodging facilities be designated as either primarily PCS or TAD, shall submit a written request through its chain of command requesting this designation. Commands requesting this designation shall include copies of unit instructions documenting the primary use of these facilities and statistics (registration/use logs) demonstrating that their lodging facilities are being primarily used for the purpose requested. Commands shall also address such factors as the availability of alternative lodging and peak tourist seasons in relationship to PCS or TAD needs. Absent this designation from the CSC, a lodging facility will be considered recreational and will be guided in its APF support by Appendix E. of this Instruction.

4. Recreational lodging (houses, rooms, cottages, trailers, and trailer or recreational vehicle parks with hook-ups). Accommodations for recreational use on the installation and at off-installation recreation sites. Typically supports recreational and unofficial travelers as primary occupants. Duration of stay shall not exceed 30 days. An additional 30 days may be granted with written approval of the commanding officer/OinC. Anything exceeding 60 days needs to be approved by CSC.
  - a. Geographic bachelors: Members receiving basic allowance for housing at with dependents rate and are unaccompanied by choice are not authorized residency within MWR lodging facilities.
5. Vehicle Storage. Parking compound for the storage of authorized patron properly insured and licensed rolling stock.
6. Bowling Centers (over 16 lanes). Bowling programs at centers having over 16 lanes, offering open play bowling and league bowling, and services such as bowling instruction, bowling resale, food, and beverage.
7. Catering. Providing food and beverage service for special events and activities.
8. Golf Course and Driving Ranges. Golfing programs offering open play, tournaments, and services such as golf instruction, and golf resale. This includes driving ranges.
9. Amusement Machine Location and Centers. Includes amusement machines, such as video and pinball machines that do not provide a pay-out, recreational machines, and non-gambling online video game services within MWR facilities.
10. Animal Care Funds (Kennel or Veterinary Services). Program and services established for boarding and medical attention for animals and includes grooming and incidentals.
11. Armed Forces Recreation Centers (accommodation/dining and resale facilities). Facilities and programs operated by one Service for all other Service components use for the primary purpose of providing rest and recreation activities. Includes joint service facilities, major hotel operations, and recreation sites designed for use by all Armed Forces personnel.
12. Bingo. Notwithstanding any of the amplifying guidance provided below, the policy contained in Paragraph 1.P. of this Instruction regarding gambling shall apply in the conducting of bingo operations.
  - a. Well-regulated bingo is widely recognized as an appropriate outlet for social gatherings on military installations. It enables military personnel to participate in a group activity that will stimulate off-duty social contacts of a recreational nature. By providing a diversion from the exacting demands of daily military duties, it helps promote enhanced morale among participants.

- b. **Playing of Bingo.** Bingo is authorized on Coast Guard installations within the United States, its territories and possessions, which are fully ceded, as well as on those installations which are not fully ceded where the playing of these games is not prohibited by the state concerned. Bingo will be conducted in accordance with the following regulations:
- (1) Bingo activities sponsored by MWR shall be self-supporting. APF are not authorized to support bingo events.
  - (2) Participation in bingo games will be limited to authorized patrons, including authorized Coast Guard civilian employees, and their bona fide guests. MWR employees working the bingo function and members of their immediate family may not take part in bingo games or accept prizes awarded at the event. This also applies to volunteers serving as bingo callers and monitors.
  - (3) Sponsors shall sign in all guests prior to the purchase of bingo cards.
  - (4) Commanding officers may permit official CG- affiliated organizations, such as the Chief Petty Officer Association, Warrant Officer Association, etc., to conduct bingo or Monte Carlo events on a not-to- interfere basis with other MWR activities. These functions may only be authorized if conducted for charitable fund-raising purposes.
  - (5) Commanding officers shall establish prize amount limits for all bingo games. Bingo prizes may be cash or merchandise. Commanding officers shall be sensitive to local community perception and use proper judgment regarding the type and size of bingo prizes awarded. Under no circumstances may the prize value for a single game exceed \$1,000. In the United States, its territories and possessions, on installations fully ceded, and on bases not fully ceded where bingo is not prohibited by state or local law, the cash/ merchandise prizes or a combination thereof, may not exceed 90 percent of annual bingo revenues.
  - (6) When there is more than one winner of a prize, the cash will be divided equally among the winners. Unless otherwise agreed to by the individuals concerned, merchandise prizes will be awarded to the person who wins a coin toss.
  - (7) Bingo winners will sign their names and personal identification data on the bingo activity sheet before receiving prizes. If the winner is a sponsored guest, the sponsor's name shall also be recorded.
  - (8) Cash received is controlled by pre-numbered tickets, issued by serial number to the patron, or by bingo card serial numbers. The bingo cashier is accountable for any missing numbers when turning in the receipts. Bingo cashier accountability is based on the number and value of bingo cards sold.
13. Monte Carlo. Notwithstanding any of the amplifying guidance provided below, the policy contained in Paragraph 1.P. of this Instruction regarding gambling shall apply in

the conducting of Monte Carlo operations. Gambling activities as defined below or in Paragraph 1.P of this Instruction shall be self-supporting. Fund-raisers that do not involve games for money, or other personal property, or the conduct of a lottery or pool, or the selling or purchasing of numbers/tickets, in or on government property, may be authorized, under the Guidance provided in Paragraph 1.P of this Instruction. Such fund-raisers would include car washes, turkey shoots, and bake sales. Under no circumstances shall any approved fund-raiser include the sale of alcohol or tobacco products or compete with CGX or existing MWR activities. Commands do not need prior written approval from the CSC for the establishment of lotteries but shall comply with all other provisions of this Instruction.

- a. Subject to the commanding officer's discretion, Monte Carlo games may be conducted by MWR to raise funds for the support of MWR programs. Monte Carlo is a scheduled event that provides games and activities played exclusively for entertainment and does not provide any monetary gain in the form of legal tender to the participant. This does not preclude the award of non-monetary prizes. Commands do not need prior written approval from the CSC for the establishment of Monte Carlo games but shall comply with all other policies regarding gambling as found in this Instruction.
- b. Once a patron purchases the necessary instrument, that is, tickets, chits, or chips, used to participate in the available games and activities, no reimbursement may be made for unused instruments.
- c. In the United States, Monte Carlo games shall conform to state and local requirements unless these events are played at installations under exclusive federal jurisdiction. International agreements apply overseas.
- d. Regardless of state or local policies, slot machines, roulette wheels, and other mechanical devices, designed and manufactured primarily for use in connection with gambling, are prohibited as part of Monte Carlo events.
- e. Employees of the MWR facility, their families, and participating volunteers will not take part in Monte Carlo games or accept prizes awarded at the event.
- f. No more than four Monte Carlo nights will be conducted by MWR at a command within a one year period. Additionally, CG-affiliated organizations may conduct one Monte Carlo night per year, provided it is conducted for charitable purposes. When a Coast Guard organization sponsors Monte Carlo, all income from food and beverage sales will go to MWR.
- g. Only authorized patrons and their guests will be allowed to play Monte Carlo games.
- h. Instruments can be obtained through the purchase of food or beverage sales; however, prices or items sold will not be increased over regular prices.



- i. Random drawings for prizes may be held. Numbered tickets for the drawing(s) will be available, free of any charge, to all event attendees. Receipt of a numbered ticket and subsequent participation in a drawing will not be premised on an admission charge or the amount of instruments accumulated. Gaming instruments may not be converted to numbered tickets.
- j. Standing operating procedures will be set up containing as a minimum, the following:
  - (1) Frequency intervals when the event will be conducted.
  - (2) Strict enforcement of the bona fide guest policy.
  - (3) Publication and dissemination in advance of all pertinent rules of play.
  - (4) Inventory procedures for equipment used in the event.
  - (5) Provision that only specified employees handle all cash transactions.
  - (6) Prohibition of the conversion of currency into play money or chips at game areas.
  - (7) Prohibition of packaged alcoholic beverages or cash being used as prizes.
14. Joint Service Facilities and Military Services Recreation Centers. See Armed Forces Recreation Centers in Paragraph 5.C.5.
15. Marinas and Boating Activities with Resale or Private Boat Berthing. Includes marina operations with private berthing or with resale activities.
16. Motion Pictures (paid admission functions only). Motion pictures provided through paid admission. See Paragraph A.8. above and Appendix H. for amplifying instructions concerning the Navy Motion Picture Service.
17. Motorcycle Clubs. This program is a more highly specialized program appealing to a limited audience and should be supported through user fees.
18. Equipment Rental. Equipment purchased with NAF for the purpose of being rented out to customers to support their special interests. Includes, but not limited to, rental of equipment such as lawn mowers, roto-tillers, chain saws, boats, trailers designed for overnight issue, tables, chairs, grills, and entertainment equipment. Units renting campers shall equip them with safety placards, fire extinguishers, and smoke and carbon monoxide detectors. The manufacturer's operating manuals shall also be available for the patron's review. Bouncy-type equipment such as bounce houses and paintball equipment are not authorized. For events such as Coast Guard Day, bounce houses may be rented from a reputable business that properly sanitizes and maintains inflatables/equipment along with a general liability insurance policy to cover bodily and property damage.

19. Rod and Gun Clubs. Programs such as skeet, trap, and other shooting programs, instruction and competitions. Recreational weapons shall be requested through Commandant (CG-721).
20. Scuba/Diving. Groups or individuals having an interest in aquatic and scuba type activities, such as instruction, sponsored dives, etc.
21. Skating Rinks. Roller skating or ice skating areas providing for the enjoyment of authorized patrons.
22. Horseback Riding Program and Stables. (Non-government- owned or leased). Services such as boarding, organized events, and competitions associated with horseback riding.
23. Other. Those programs established for a special interest not otherwise addressed whose primary purpose is to generate revenue.

D. Coast Guard Sports Program.

1. Armed Forces Sports.
  - a. Description. Participation on teams or events identified on the Armed Forces sports calendar is an excellent way of extending and promoting sports activities for active duty Coast Guard personnel. The primary objective of this program is inter-Service sports competition. Selection of sporting events, rules, team composition, schedules, dates, hosts, and hosts sites are determined by the Armed Forces in conjunction with the Armed Forces Sports Council. Coast Guard military personnel on active duty, except Coast Guard cadets, are eligible to participate in these sporting events. Individuals desiring to compete in an Armed Forces sporting event, shall complete the sports application found on the Coast Guard MWR website or provide similar information as determinate by the Armed Forces Sports Council. All applications shall be approved by the member's commanding officer and forwarded to the CSC.
  - b. Funding. Financial support of Coast Guard personnel participating in the Armed Forces sports program may be provided by either APF or NAF.
2. Inter-Service Championships. The purpose of this program is to promote understanding, goodwill, and cooperation among the Armed Forces through Inter-Service sports competition and to provide means of selecting teams to represent the Armed Forces in higher levels of competition. Coast Guard individuals selected to participate on Navy teams are eligible to compete in these competitions. The sports application found on the Coast Guard MWR website may be used to request participation in Armed Forces sporting events.
3. International Competition. Under provisions of 10 U.S.C.717, personnel of the Armed Forces may be allowed to train for and participate in international sport competitions that are considered in the best interest of the United States by the State Department. The

Olympic Games, the Pan-American Games, and competition conducted under the Conseil International Du Sports Militaire (CISM) may have State Department approval. Rules and regulations relative to participation of Coast Guard personnel in international sports competitions are contained in Appendix J.

4. Sports Participation Grant Program. The Coast Guard has always recognized athletic competition as an important element of the MWR program. Athletic competition teaches teamwork, sacrifice, dedication, and develops an esprit de corps. It is the Coast Guard's policy to encourage and support all military athletes to participate in athletic competition. Limited funding may be available to support athletes in this endeavor. Refer to the annual PSC announcement (ALCGPSC) for funding availability and the latest guidance for requesting sports participation grants. The CSC sports grant program would not preclude commands from using NAF to also support sports participation by members of the command or members in their areas of responsibility.
5. Elite Male/Female Athlete of the Year.
  - a. Annually, the Coast Guard recognizes an elite male and female athlete of the year. Elite for the purposes of this program may be defined as, but not limited to the following:
    - (1) Placement in the top five in a national championship competition.
    - (2) Selection for the Olympic and/or Pan American Games.
    - (3) Significant contribution on a national team sport placing first, second, or third in competition.
    - (4) First, second, or third place in a national or international event (i.e., Boston Marathon, Ironman Triathlon, etc.).
    - (5) Other sports achievements of a caliber similar to those listed above.
  - b. Selection process.
    - (1) Commanding Officers are encouraged to submit nominations to the CSC. Nomination procedures and timelines will be provided annually via PSC messaging (ALCGPSC).
    - (2) Nominations for the elite male and female athletes of the year shall include the member's record of professional and athletic achievements (particular achievement for which nominated) and notable community service for the elite athletes. Athlete achievement shall be verified by the command. Athletic achievements shall focus on the award year.
    - (3) The following shall also be provided with each nomination:

- (a) A photograph of the athlete wearing the Service Dress uniform. Athletes should find a professional background when capturing the photo.
  - (b) A photograph or photographs of the athlete in competition or training.
  - (4) The CSC will convene a panel to select the Coast Guard Elite Male and Female Athlete of the Year winners.
  - (5) The Chain of Command submits a one-page memorandum (see Appendix L.) and nomination package as published by the annual PSC messaging (ALCGPSC). Each nomination should be sent to CSC from the unit commanding officer or officer-in-charge, focusing on the year of eligibility.
- E. Rules of Competition. As necessary, official rules set forth by the National Governing Bodies governing amateur competition for either men or women in each sport shall be used. In cases of conflicting rules, it is recommended that those specified for the Armed Forces Sports Championships be used.
- F. Competition Outside the Armed Forces Sports Program. Competition with other than military individuals or teams is authorized subject to the following conditions:
- 1. Competitions with professional teams are authorized only on Armed Forces reservations for the entertainment of Armed Forces personnel, or when approved in advance by the member's chain of command.
  - 2. Coast Guard personnel are not permitted to compete in games, contests, or exhibitions conducted by promoters or groups operating for the purpose of personal or organizational gain unless prior permission has been obtained from the member's chain of command and the unit's SLO. This does not preclude individuals from competing in these events when not being sponsored by the Coast Guard.
  - 3. Requests for participation in benefit contests for charitable organizations shall be submitted to the command and the unit's SLO for approval. Commands participating in contests shall ensure that all expenses are paid from proceeds of the event.
- G. Advertising.
- 1. Coast Guard MWR programs shall communicate the benefits of their goods and services to as many potential patrons as they can. Such communication shall not reflect unfavorably on the Coast Guard or the Department of Homeland Security.
  - 2. Policy.
    - a. MWR programs may pay to advertise MWR goods, services, entertainment, and social events through Coast Guard media. The following may be used in

- advertisement: brand names and unit prices, feature acts, films, or talents, admission price or cover charges, and names of commercial sponsors.
- b. MWR programs may pay to advertise their services and events through other media provided that media is circulated to, prepared for, or geared to an audience consisting primarily of Coast Guard or DHS personnel, or authorized patrons. When advertising in such non-DHS publications, a disclaimer shall be used similar to: "This offer or event is open only to authorized patrons." This policy shall not be interpreted to apply to publications distributed to a more general audience.
  - c. MWR programs may pay to advertise in appropriate civilian media when MWR events are open to the public subject to the following conditions:

Events shall not directly compete with similar events offered in the local civilian community. Open events shall be coordinated in advance with the local public affairs staff.

    - (1) Open events shall be infrequent, not weekly or monthly, increase military and/or civilian interaction, and enhance community relations.
    - (2) Merchandise shall not be advertised; however, event-related merchandise and food and beverage may be sold for on-premises consumption.
    - (3) Advertising outside the United States shall conform to existing SOFA regulations, command policy, and local laws.
  - d. MWR programs may sell space for commercial advertising in any media produced for or prepared by them and shall accept payment for such advertising subject to the following conditions:
    - (1) Publication of paid commercial advertising by MWR programs is bound by similar standards that apply to civilian enterprise publications.
    - (2) Advertising shall include a disclaimer that it does not constitute an endorsement by the Coast Guard or DHS.
    - (3) Acceptance of paid commercial advertising on any APF media, including facilities without a disclaimer, is prohibited.
    - (4) Commanding officers shall make final decisions on acceptance of advertising and shall consider public perceptions, impact to the local economy, and the effect on the local civilian enterprise newspaper or media, and any unit guide or unit map.
    - (5) Advertising in MWR media is based on reaching bona fide users in accordance with established patronage policies. A sample of an Advertising Agreement may be found at [www.uscg.mil/mwr](http://www.uscg.mil/mwr) under MWR Professional References.

- e. Mailings to authorized MWR patrons of announcements pertaining to sales and services provided by MWR programs are authorized. Mailings containing advertisement of specific commercial products, commodities, or services provided by or for any private individual, firm, or corporation are authorized only to those patrons who voluntarily have requested to receive such mailings. Units shall maintain a list of those patrons not desiring to receive these mailings. The cost of promotional mailings to include postage shall be paid with NAF.
  - f. MWR programs may contribute articles and stories for publication as unpaid information items in Coast Guard newspapers, plan-of-the-day, installation cable TV, and other media intended primarily for distribution within the MWR community.
  - g. Ads, premiums, coupons, and samples (except tobacco and alcohol) may be distributed directly to authorized patrons. A disclaimer is not required for items provided as premiums, coupons, and samples. MWR programs may accept premiums with a value of \$20 or less when voluntarily initiated and prepared by suppliers. A premium is merchandise offered to advertise an activity, product, service or event as a bonus or as an incentive to buy. Examples of premiums are ball point pens, or plastic rulers, with an intrinsic value of \$20 or less retail. Ads and promotional devices that are primarily advertising devices, prepared by non-Federal sources, shall not be distributed through official channels. Such media may be placed in locations on the unit for personal pickup. A disclaimer is required to the effect that there is no implied endorsement. MWR programs shall not solicit funds from suppliers or other non-Federal sources to offset costs of premiums, or request such suppliers or sources to prepare or provide special premiums at their expense.
  - h. MWR activities may use point of sale displays and promotional material such as reduced price and special offer coupons, and may participate in national and local coupon redemption programs available to the general public or to the military community.
  - i. Advertising shall include a disclaimer that it does not constitute a Coast Guard endorsement. Due to the unique nature of electronic media, printed copies of the disclaimer are to be made available, should they be required.
  - j. MWR activities are authorized to work with local legal staffs to develop a streamlined contract/agreement for the placement of ads in MWR publications or other advertising media.
  - k. Financial accounting records are to be maintained to support advertising income and expenses.
- H. Commercial Sponsorship. Commercial sponsorship is the act of providing assistance, funding, goods, equipment, or services to MWR programs and events by an individual, agency, company, corporation or other entity (sponsor) for a specific (limited) time in return

for public recognition or advertising promotions.

1. Local MWR programs with fulltime MWR staffs and the CSC are authorized to competitively solicit commercial sponsorships or accept unsolicited commercial sponsorships for MWR programs and events under the conditions contained within these guidelines. Only MWR programs in support of MWR activities and functions are authorized to obtain commercial sponsorships. Units without full time MWR staffs may participate in the commercial sponsorship program through their cognizant authorities for MWR purposes if that command has a full time MWR resource.
2. Tobacco sponsorship will not be solicited or accepted.
3. Soliciting alcoholic beverages sponsors, including beer is not authorized, but may be accepted, under the following conditions:
  - a. If offered, i.e., unsolicited, MWR activities may accept and participate in any promotions of these products that are not directed predominantly or exclusively at the military market.
  - b. MWR activities may accept unsolicited promotions provided the alcohol company sponsors similar events in civilian communities.
  - c. Product sampling is not authorized.
4. Only sponsorships from U.S. firms will be solicited and accepted.
  - a. In overseas areas, solicitation of non-U.S. firms (those not incorporated within the United States) is authorized with the commanding officer's approval provided solicitation is not in violation of SOFA or treaty agreements or in direct competition with any Armed Forces exchange. Any questions regarding the appropriateness of the commercial sponsorship by a non-U.S. firm should be directed to the CSC.
  - b. Solicitation of foreign corporations having U.S. subsidiaries is authorized.
5. Only those suppliers or manufacturers that supply or produce personal consumer products or services may sponsor an MWR event. No exceptions. A company producing only military hardware does not meet the qualifications to sponsor a MWR event; however, a defense contractor could qualify by sponsoring with one of consumer product divisions. Such sponsorships shall be executed (signed) by the company's consumer products division. A commercial sponsorship agreement may be executed between a marketing firm and the MWR program if the marketing firm is representing an authorized entity as previously described.
6. If not unsolicited, sponsorships shall be competitively solicited, which requires notifying at least 3 companies, if available, having the product or service deemed appropriate for the event.

- a. To satisfy this requirement, MWR officers/directors will prepare and send out a personalized letter to those companies capable of delivering the desired product or service. Documentation shall be kept showing how the list was determined.
  - b. An example format for a personalized solicitation letter is included as Appendix M.
  - c. This letter not only serves as the vehicle to inform prospective sponsors of sponsorship opportunities, but also announces the event, contains an overall description of the event, forecasts number of participants, describes composition of market, etc.
  - d. The letter also requests that companies who desire additional information (i.e., a complete proposal package) contact the local MWR officer/director by a specific date.
  - e. Care shall be taken to ensure an equal opportunity to participate in sponsorship is provided. All interested companies shall be sent a complete proposal package, if requested.
7. All Coast Guard employees (military and civilian) shall refrain from informal sponsorship solicitation.
- a. Informal sponsorship solicitation is prohibited and may violate the Government's standards of conduct and ethics regulations.
  - b. A business-like "arm's length" relationship shall be maintained between the local command and prospective sponsors.
8. Commercial sponsorship of an event is NOT a program where a sponsor gives the command a gift or donation. Commercial sponsorship is an exchange of equal value agreed upon between the command and the sponsoring entity.
9. The specific intent of the commercial sponsorship program is to enable local MWR programs to obtain funds to offer events or services that would otherwise not be possible.
- a. Commercial sponsorship may not be used to underwrite the cost of a local command's MWR program other than for the events authorized by this Guidance.
  - b. Sponsorship profits may be used for other similar programs or as seed money for future sponsorship efforts.
  - c. Sponsorship profits, if any, should not be used to cover MWR general and administrative expenses beyond those costs directly attributable to the event.



10. The solicitation of the maritime industry is prohibited to avoid giving the impression that these companies are subsidizing MWR program events to curry favors from the Coast Guard. Unsolicited commercial sponsorship is also not authorized.
11. Sponsorship agreements shall be reviewed by the unit's SLO and approved by the commanding officer. A sample of a commercial sponsorship agreement is contained in Appendix N.
12. Caution shall be used to not inadvertently imply that the Department of Homeland Security and the U.S. Coast Guard officially endorse any company, sponsor, or their products or services. A disclaimer, Appendix O., or equivalent, shall be used for all sponsorships.
13. Unsolicited commercial sponsorship shall be treated the same as solicited commercial sponsorship except that it does not have to be competitively bid or announced. Unsolicited sponsorship is wholly and entirely initiated by the prospective sponsor without prior knowledge of the needs of the MWR program or unit. After an appropriate inquiry from a prospective sponsor, the MWR officer/director may inform the sponsor of any needs. The unsolicited sponsors should then furnish a letter or memorandum of intent to the unit. Unsolicited sponsorship is otherwise subject to the policies outlined above.
14. Care should be exercised as it applies to commercial sponsorships in that if the sponsor provided support for a specific event, permission to use any excess funds for other purposes shall be approved by the sponsor.

## CHAPTER 6 ADMINISTRATION OF MORALE, WELL-BEING, AND RECREATION FUNDS

### A. MWR Budget Process.

1. Summary. Proper and timely budgeting is a critical element in ensuring a successful MWR program. It is most critical at large units that are committed to recurring facility and personnel costs. Units may receive funds from several different sources including CGX available profit, their cognizant authorities, MWR fees and charges, and gifts. Since most of the annual MWR distribution is directly dependent on CGX available profit, it will not be unusual for units to experience fluctuations in funding from year to year. Because of this, units should be cautious in increasing recurring expenses. Budgets shall be developed and executed based on known allocations and reasonable and realistic estimates. Commanding officers shall ensure (through the analysis of financial transactions and projected program requirements) that MWR activities are operating within available funds and shall be made aware of unbudgeted expenditures.
2. Unit Morale Fund Budgets. Unit budgets shall be prepared for each Category A, B, and C MWR activity operated by the unit and for morale-related events. A well-developed budget shall be prepared from income statement and balance sheet accounts for each quarter of the budget year and a consolidated report.
  - a. The Operating Summary MWR Activities, Form CG-2985A, has been designed to allow most units with no Category B or C MWR Activities to use it in both reporting actual amounts and budgeted amounts for a reporting period.
  - b. To assist in determining whether revenue forecasts and expenditure projections are reasonable, MWR officers/directors should provide comparable, actual data from prior NAF years to the commanding officer.
  - c. The consolidated quarterly and annual budget may be used to determine the impact of this budget on net worth. For example, any period in which forecasted revenues, from any source, is less than projected expenditures, will have an adverse effect on the net worth of the MWR fund and shall be monitored closely.
  - d. The goal of the MWR fund shall be to maintain an acid test ratio of at least one (1). An acid test ratio is current assets, minus inventories, divided by current liabilities.
  - e. Commands with NAF personnel shall budget to have a cash reserve of up to three pay periods to cover NAF personnel expenses.
3. MWR Budget Approval/Submission. Once the commanding officer has approved the MWR budget, they shall submit it to the cognizant authority. Budget approval by the commanding officer is an authorization to incur obligations and liabilities against the unit morale fund. However, if expected or actual income is less than forecasted to support MWR activities, then adjustments in activities are required.

- a. Upon receipt of an approved MWR budget, the cognizant authority will conduct a desk audit and review of the submission. A desk audit may include, but not be limited to a recalculation of sums, revalidation of revenue forecasts, validation of budgeted net profit for all revenue generating activities, and validation of expenditures for appropriateness. Upon completion, the cognizant authority will advise the affected unit, in writing, as to the results of this review and any technical corrections that may be required.
  - b. The CSC will act as the cognizant authority for all commands in which it directly distributes MWR funds. The cognizant authority for all other established morale funds will be that command having oversight responsibilities for MWR issues or MWR NAF distribution responsibilities for subordinate commands. In this process, Coast Guard Sector MWR budgets would include those budgets for both the sector office and any subordinate units without an authorized morale fund account within its AOR. In addition to the guidance provided above, units with Category B and C MWR Activities shall forward a copy of their approved MWR budget(s) to the CSC.
4. Budget Submission Timeline. The following represents the timeframe for the development of a NAF Year MWR budget:
- a. October – The CSC will advise those units that report directly to it for MWR purposes of the forecasted per capita distribution for the budget year and any other planning factors such as cost of living allowance projections, retirement contribution payments for eligible employees, changes in NAF employee health care premiums, and insurance premiums.
  - b. 30 November – In addition to the submission guidance provided in paragraph 3.b above, those units for which the CSC is the cognizant authority shall submit their budgets to arrive at the CSC not later than 30 November.
  - c. 1 February – Begin NAF fiscal year. The NAF fiscal year runs from 1 February through 31 January of each year.

Note: This timeline represents those milestones directly affecting the CSC within the budget process. Timelines affecting other cognizant authorities shall be developed accordingly. It shall be recognized that the final approval of the per capita distribution shall be obtained from the Coast Guard Nonpay Compensation Program Board of Directors. Approval may occur before the beginning of the NAF fiscal year, but in some instances, may be delayed until after the beginning of the fiscal year. Units shall remain flexible and accommodate any changes to the per capita distribution as approved by the Board.

5. APF Budget Submission. An essential element of MWR programmatic support is the APF budgeted at the local level. Each year, the CSC may develop budget and expenditure appropriated fund information needs and will promulgate guidance and submission under separate cover.

B. Funding Policies Associated with MWR Operations.

1. General Guidelines. Unless otherwise specified, the following general rules apply to the funding of MWR programs.
  - a. Those MWR facilities authorized should be operated and maintained with APF. The basic standard, regardless of MWR category, is to use APF to fund 100 percent of the costs for which they are authorized.
  - b. Resale items shall be purchased only with NAF.
  - c. Fees and charges shall be considered as a means to defray the cost of a NAF MWR activity.
  - d. Tickets for sports entertainment, or social events, whether for resale or "giveaway" shall be purchased only with NAF.
  - e. Any purchase which may be made using appropriated funds may also be considered for nonappropriated funding. The reverse is not necessarily true.
2. Matrix. The Matrix, Appendix E., identifies those functions that are authorized APF support within the MWR program. Additional guidance for the use of APF may be found in Reference (i). Unless specifically authorized, APF shall not be used to generate revenue.
3. Private Ownership. Privately owned items may not receive financial support from either APF or NAF. Private ownership support includes that provided to privately owned recreational vehicles, boats, or horses that are operated, maintained, moored, or stabled by MWR activities. Such support will be provided on a reimbursable basis only.

C. Prohibited Use of Morale Funds. The expenditure of morale funds is limited to those that benefit the unit as a whole from an MWR standpoint. The expenditure of MWR funds for the following purposes is not authorized:

1. Receptions or expenses of functions incident to the commissioning of a new command, change of command ceremonies, retirements, or any other private function. However, commands are authorized to use morale funds for all-hands party in conjunction with a change of command or commissioning ceremony. The intent is not to use morale funds to fund private events or traditional ceremonies.
2. Support of activities and programs that benefit only a few, such as "retirement" gifts (i.e., golf clubs, attaché cases, luggage, etc.) and donations to spouses' clubs, officers' associations, the CPOA, and other private associations. The morale fund, however, may help fund activities sponsored by private associations that are for the benefit of all unit members (i.e., children's holiday party sponsored by the CPOA).
3. Welcome aboard gifts/farewell items except when using the following guidelines:

- a. The items shall be purchased with unit NAF.
  - b. It should be command policy that every member arriving/departing PCS receives the same item(s) regardless of pay-grade or position in command. This criterion shall pertain to the cost of the items as well.
  - c. It is also recommended that the command involve the morale committee in the selection of welcome aboard/farewell items.
  - d. The price of welcome aboard/farewell items shall be nominal, as defined in Reference (i). MWR funds are limited and there may be many competing interests. The authorization of this section was meant to give commands the ability to provide unit ball caps to new crewmembers with the unit's name to the specifications contained in Commandant Policy. Farewell gifts are not authorized. Commands should consider using scarce MWR funds to support their personnel while they are attached to the command, not upon departure.
  - e. Expenses associated with unit mascots.
4. Award of rating badges, wing insignias, plaques, and similar items not related to the MWR program.
  5. Support of functions that are held primarily for public relations objectives, i.e. receptions for/or entertainment of public officials, "open houses/tours", etc, and this also includes the use of MWR facilities. The use of MWR funds for representational purposes is prohibited.
  6. Support non-MWR events or activities such as cultural days and events is prohibited.
  7. To defray operating expenses or to purchase equipment necessary for the operation of officers' messes, petty officers' messes, Coast Guard Dining Facilities, exchanges, or commissaries. (This does not preclude the use of morale funds to finance or assist in financing MWR equipment, i.e., TV sets, pool tables, coffee pots, etc. so long as the expenditures are made on an equitable basis in support of all clubs and messes.)
  8. Payments to military personnel for services rendered as an individual or as a member of a team, including officers in charge and members of their staffs, participating in authorized recreational events. (This does not preclude payment of travel expenses in connection with such participation.) Fees may be paid to military personnel acting as officials at authorized athletic events, provided payments do not exceed the standard rate for the sport in the area. In addition, personnel officially assigned duties within the MWR program may not receive compensation for officiating any event within that program.
  9. To defray operating expenses of dependents' schools or to pay tuition or fees incident thereto.
  10. Donations to, or expenditures for, any charitable or fraternal group or organization.

11. Payment to commissioned officers for work performed on MWR matters unless:
  - a. Services are limited to those to be performed on a fee basis without direct supervision and control by official supervisors, such as officiating at sports events, and no employer/employee relationship is created.
  - b. Engagements for services are in accordance with policies established by the commanding officer.
  - c. The provisions of this Section are not to be used for compensating officers from morale funds for work in excess of their regular military duties.
12. Payment to enlisted personnel for work performed on MWR matters unless the following conditions are met:
  - a. The work is voluntary and/or in addition to their regular assignment and is performed during off-duty hours.
  - b. Employment, by reason of hours or nature of the work, does not interfere with the proper and efficient performance of their military duties, which shall at all times take precedence on their time, talents, and attention.
  - c. Payment of enlisted personnel as employees shall be made through the personnel processes of the CSC.
13. Payment to civilians for work performed at any time on any MWR matters if they are already full-time civilian employees of the Federal Government, whether paid from APF or NAF (Dual Compensation Act applies).
14. To construct, alter, or renovate any facility or for procurement of any item of equipment not used primarily as an integral part of the MWR program.
15. Support of religious programs.
16. Payment of instructors, tuition, or purchase of books for off-duty military education programs.
17. Procurement or sale of any alcoholic beverages other than as authorized by Coast Guard regulations or the CSC.
18. The procurement or sale of tobacco products within the MWR program is prohibited.
19. Procurement of command coins for recognition items or to conduct appropriate recognition ceremonies to external individuals and groups.

20. The payment of sales tax for NAF procurements, unless specifically documented in the procurement file by the commanding officer the exigencies why sales tax was paid and was in the best interest Coast Guard.
21. Gift Cards. Gift cards purchased with NAF must be merchant specific such as a CGX gift card and not exceed the MWR Per Capita amount per person. Non-merchant specific gift cards such as Visa, Mastercard, and American Express gift cards are prohibited and are considered “cash equivalents.” Purchasing Gift cards in lieu of holding morale events for the crew is not authorized. Morale funds are intended for unit morale events to help build esprit de corps to enhance the readiness, retention, and resiliency of the active-duty workforce. MWR events involving the procurement of gift cards shall be voted on by the morale committee and approved by the unit commanding officer or officer in charge.
  - a. Example: CG STA Portsmouth’s Holiday party is being held at Top Golf. Unit Morale funds cover the play time, food platters, and prizes for authorized patrons and the top three people with high scores. The morale committee voted on gift cards as prizes. The gift cards cannot exceed \$50 per person.
  - b. Units must track inventory and issuance of gift cards within their MWR Program to prevent fraud, waste, and abuse. A log consisting of inventory of gift cards, dates, names, and amounts issued for the fiscal year are required to be recorded by the Morale Officer/Director.

D. Fees and Charges.

1. Fees and charges shall be levied to help off-set the cost of certain MWR activities. As a general guide, fees and/or charges should be lower on average than the fees and charges for comparable commercial activities in the local community. This Guidance shall not be construed as to relieve commands of the responsibilities of managing revenue generating activities in a financially responsible manner. Surveys of comparable local commercial activities should be completed annually as a measure against this metric. In general, most recreational activities should be free so that no person is denied the opportunity to participate due to of a lack of money.
2. When fees are established, no one or group shall be exempt from payment. Each individual shall be charged the established fee for an equivalent amount of participation or service. As a general principle, fees levied should be the same for all patrons except for sliding fee scales that provide for lower fees based on pay grade. Additionally, guests of eligible patrons using MWR facilities may be charged the higher fee. Contractors shall be charged the highest rate charged if a sliding fee scale is used. Deviations to this principle shall be fully justifiable and approved in writing by the CSC.
3. It is not unreasonable to place a higher charge for a short period of time on an activity to amortize the cost of a capital improvement.

4. Fees for participation in MWR activities may not be paid directly to instructors, contractors, or individuals providing the service. All fees shall be deposited in the morale fund.
5. Fees and charges are identified and classified as follows:
  - a. Admission Fees. Admittance to buildings or structures where entry and exits are controlled and attendance regulated. Examples include shows and dances and athletic events.
  - b. Rental Fees. Exclusive use of tangible property. Patron has the right to enjoy use of property for a specified period with the understanding the property will be returned in the same condition it was rented. For example: golf carts, camping equipment, boats, trailers, etc.
  - c. Facility Use. Charges for use of facilities essential to participation in a particular MWR activity by eligible patrons. Examples include bowling lineage fee, golf green fees, recreational swimming pool fees, and wedding receptions. Charging fees for use of MWR facilities for non-eligible patron use is not authorized and not part of the MWR program.
  - d. Sales Revenue. Sale of merchandise when authorized. Ownership of item passes from seller to buyer with each sale. Examples include vending machine sales and auto hobby shop supplies.
  - e. Special Charges. Service for a particular purpose that is not normally a required governmental service. Examples include entry fee for bowling tournament, fee for organized classes, bridge tournaments, registration fees, fees for services rendered by NAF employees (i.e. selling entertainment tickets for a private association), etc.
  - f. CDC Fees. CDC patron fees shall be in IAW with Reference (h).
  - g. Overall, differentiating between APF and NAF accounts is important. Funds received by a command for APF purposes and functions are not to be comingled with NAF. Funds received for APF purposes need to be deposited in accordance with Commandant Policy.
6. Participation by Coast Guard members in Category A athletic events promote the physical and mental well-being of the military member, a requirement that supports the basic military mission. To that end, the use of appropriated funds to pay registration fees for sports leagues is authorized. Although there is no set percentage of active duty military membership of a sports team that would be eligible for appropriated fund support of the team's registration fees, good stewardship would dictate that the significant majority of the team be active duty members. Additionally, commands shall be guided by the principle that the unit would not otherwise be capable of fielding a team if it did not include other authorized MWR patrons.



E. Awards and Recognition.

1. The presentation of awards in recognition of achievement is an integral part of the MWR program. While the value of awards is recognized, caution should be exercised to ensure that expenditures for this purpose are not disproportionate to overall program requirements.
2. Athletic competitors officially sponsored by a Coast Guard morale fund, shall surrender to the morale fund any cash or certificate redeemable in cash received as an award for competition.
3. Informal recognition is an appropriate way to recognize individuals, groups, or teams for achieving specific goals or completing special projects. Awards in recognition of military/professional achievements and performance of military members and civilian personnel are authorized purchases from APF.
  - a. NAF morale funds are intended for use on an equitable basis by all members and as such, the use of morale funds for awards and recognition is not appropriate. The preferred method of recognizing high performing APF employees, both military and civilian, is through a combination of special privileges, and allowable APF expenditures, as authorized by Commandant Directives.
  - b. For those commands with NAF employees, awards and recognition programs using NAF are authorized using the same guidelines applicable for APF recognition systems. Depending on the type of recognition, APF may also be authorized. Cash prizes/awards are not authorized. Per Reference (f) performance based awards for NAF employees are authorized when budgeted and approved by the commanding officer.
4. APF may be used to provide honorary recognition of individuals and organizations that significantly contribute to Coast Guard programs (including MWR), missions, or operations, including state and local governments and commercial and nonprofit organizations in accordance with Reference (i).

F. Morale Fund Loans. Morale fund loans are not authorized.G. Establishment of MWR Fund.

1. A unit desiring to establish a morale fund shall do so in writing to the cognizant authority. Cognizant authorities shall work to minimize the number of morale accounts in their AOR, if practical, to reduce the administrative burden on operational units.
2. If approved, the unit shall establish an account in a financial institution covered under the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration insurance. The cognizant authority shall establish any financial control or limits using the guidance contained in Chapter 8 of this Instruction. The unit requesting establishment shall advise in writing the financial institution where unit morale funds will

be on deposit and that the Coast Guard Nonpay Compensation Program Board of Directors is the successor of interest to the account. A copy of this letter shall be provided to the cognizant authority and the CSC. Additionally, a unit establishing a morale fund shall obtain an Employer Identification Number as described in Paragraph I.1, below.

3. Initial funding incident to the establishment of a newly created MWR morale fund will be determined on a case-by- case basis by the cognizant authority.
4. Establishment of new CAT C Activity. Units desiring to establish Category C MWR Activities shall first have an established morale fund at their unit. Additionally, the request for establishment of the Category C Activity shall be forwarded, in writing, to the CSC via the operational chain of command and the cognizant authority for MWR purposes. The request shall contain information regarding the type of Category C Activity requesting to be established, demographics of the eligible customer base, a comprehensive business plan, the availability of off-base establishments providing similar services, and the facility in which the Category C activity will be operated. Because of the demands and risks of operating an MWR business activity, approval will not be provided to establish Category C MWR Activities at units with no fulltime MWR personnel unless approved by CSC. In addition to the items listed above, commands desiring to establish Category C MWR Activities shall also address:
  - a. The technical competencies of the manager to oversee the operation in areas such as NAF personnel management, accrual basis of accounting and funds control, and MWR policies, to name a few. Technical competency may be determined by the successful operation of other Category C Activities and post secondary degrees in business administration or accounting.
  - b. The rationale for generating revenue in Category C Activities is to grow the activity, recapitalize the facilities and equipment of the activity, and to generate funds for other morale purposes. To that end, the ability through the pro forma income statement to reserve 25% of the net profit for capital replacement, including a three year recapitalization plan, updated annually if approved.
  - c. Attestations from the command that the risks associated with the use of the facilities have been minimized. This would include a safety inspection by a professional in the Coast Guard whose position it is to inspect facilities for safety and Americans with Disabilities Act (ADA) compliance, if applicable. Based on the diverse nature of Category C MWR Activities, other requirements may be required as well. Commands failing to maintain the requirements involved in the establishment of the Category C MWR Activity and generate an annual net profit can expect to have it disestablished.

#### H. Disestablishment of MWR Fund.

1. Policy and Procedures for Liquidation. Assets supporting MWR activities shall be used judiciously so that these resources are available for future use at other units in support of Coast Guard-wide MWR requirements. Based upon guidance of the cognizant authority,

commanding officers shall ensure proper redistribution of any MWR-related assets, equipment, and supplies. The following procedures are intended to prevent the occurrence of claims and adjustments subsequent to disestablishment of morale fund activities. Because disestablishment of any Category B or C MWR Activity may have impacts affecting other programs like the Consolidated NAF Insurance Program, the CSC shall be advised, in writing, of any actions disestablishing any of these Activities, whether the entire fund is being disestablished or not.

2. Actions Required.

- a. Inventory all MWR property and dispose as directed by the cognizant authority as outlined in Chapter 10 of this Instruction.
- b. Cancel all outstanding orders. Reroute outstanding purchase orders as directed.
- c. Survey (if applicable) all unsellable resale merchandise on hand and redistribute to other units, as directed by the cognizant authority.
- d. Contact all creditors to determine that liabilities do not exist. If obligations cannot be liquidated before disestablishment, creditors should be instructed to forward claims to the cognizant authority for payment.
- e. Ensure that all applicable requirements of Reference (f) are strictly adhered to. Any NAF personnel questions unanswered should be directed to the CSC.
- f. Advise the cognizant authority of the amount of potential unemployment claims that may result from closure action. Cognizant authorities shall provide for this potential expense in subsequent budgets.
- g. Advise the financial institution where unit morale funds are on deposit, in writing, to forward the final bank statement and any bank balances to the cognizant authority.
- h. Prepare a letter to the cognizant authority that shall:
  - (1) State specifically that all steps listed above have been taken and, if applicable, the status of any outstanding obligations or claims against the fund.
  - (2) State location where unit morale fund records are stored. Notify District or cognizant authority Records Coordinator.
  - (3) Include an audited copy of final financial statement, with a copy to the CSC.
  - (4) Prepare a check or postal money order payable to cognizant authority for the remaining morale funds, taking into consideration outstanding checks. If applicable, cognizant authorities shall deposit remaining funds into the AOR account.

(5) MWR records shall be forwarded to the cognizant authority for final disposition through the Records Coordinator.

I. Taxes.

1. Legal Status. A morale fund is an instrumentality of the Federal Government. As such, it is exempt under the Constitution and Federal Statutes from certain taxing authorities. These immunities are included in the discussion below. Morale funds should be administered to take advantage of these exemptions. All MWR activities that open a bank account and/or pay wages and withholding taxes shall have an Employer Identification Number (EIN). Application for an EIN is made on Application for Employer Identification Number, Form SS-4, available from the Internal Revenue Service or applied for online through the Internal Revenue Service website. A person's social security number (SSN) has to be associated with the unit's EIN for the request to get approved by the IRS. The member that is linked to the EIN shall close or transfer the EIN to another member before being relieved from the account. If the previous member closes the EIN, then a new request for a new EIN would need to take place.
2. Federal Taxes Applicable. The MWR officer shall obtain annually a copy of the Employer's Tax Guide, Publication 15, Circular E, from the Internal Revenue Service and shall comply with its provisions. See [www.irs.gov](http://www.irs.gov). Employees of MWR activities are subject to Federal Tax Payment and Withholding Provisions.
3. Federal Taxes not Applicable.
  - a. Per Reference (a), MWR functions and profits are exempt from paying Federal income tax. Returns for Federal income taxes need not be filed.
  - b. MWR activities are exempt from payment of the Federal Communication Tax on long distance telephone or radio telephone messages. No certificate of exemption is necessary to establish exemption from the tax on amounts paid directly for telegraph, telephone, radio, and cable services or facilities. A MWR activity may note on any bill submitted that it is an instrumentality of the United States. This exemption applies only to official calls and services and does not apply to personal calls made through the facilities of the activity.
4. Communications with Federal Authorities. The initiation of inquiries or replies to Federal authorities regarding taxation and regulations affecting MWR functions and/or unit morale funds shall be cleared via the chain of command and the CSC before any action is taken.
5. State and Local Tax. Instrumentalities of the United States Government are not subject to direct taxation by State or local taxing authorities, except when authorized by Federal statute. Inquiries or replies to State or local officials on matters pertaining to taxation shall be cleared via the chain of command and the CSC. The Coast Guard Tax Exempt Number is B-239641. Purchasing personnel may have to provide this number to vendors

to claim the exemption. The applicability of the tax exempt status is governed by Reference (k).

6. Withholding of State and Local Income Taxes. MWR employees are subject to State income tax, local income tax, and the associated withholding requirements. Taxes shall be withheld from wages of civilian and military employees (NAF employees) and remitted to the appropriate taxing jurisdiction. All NAF employees shall be paid through the CSC payroll system.
7. State Taxes Not Applicable. MWR functions and/or unit morale funds are exempt from payment of the following State and local taxes:
  - a. Unemployment insurance taxes and contributions.
  - b. Real estate and personal property taxes.
  - c. Sales, use, and license taxes on property purchased for consumption or resale, to the same extent as other Departments of the U.S. Government.
  - d. Gasoline taxes: same exemptions as other Departments of the U.S. Government.

J. Loss of Morale Funds.

1. Shortages that can be attributed to errors in change making and are of a nonrecurring nature should be noted on the quarterly report with no further action; however, commands shall have in place adequate internal controls to minimize such shortages.
2. Shortages, not related to paragraph J.1. above, shall be promptly reported to the CSC and the cognizant authority via the chain of command. The loss notification shall include a brief description of the circumstances surrounding the reported loss, an estimate of the reported loss, and an interim determination on how the loss may have occurred.
3. The commanding officer shall initiate an appropriate investigation, in accordance with Reference (l), and Reference (m). A written report incident to this investigation shall be provided to the CSC via the unit's operational chain of command.

K. Gifts. Coast Guard personnel often encounter circumstances within the day-to-day conduct of their official duties where gifts are offered to them personally or to their command. Specific, detailed guidance for the acceptance of gifts is contained in Reference (i), and Reference (n). In general, as it relates to MWR, the following guidance applies:

1. All commanding officers and officers-in-charge may refuse a gift to the Coast Guard. All offers not refused that are beyond the acceptance authority of the recipient shall be forwarded up the chain of command for resolution with a disposition recommendation, in accordance with Commandant Directives.

2. Gifts of property should be unconditional and the donor should write a letter to that effect; the letter should also verify that there are no outstanding liens against the property. Property records shall be maintained the same as for other morale property.
  3. Gifts of property shall always be reviewed with consideration for the unit's ability to maintain the property. Commanding officers shall realize recurring costs/expenses for gifts, specifically any recreational boats and identify and plan for an authorized funding source for maintenance.
  4. All cash gifts when properly accepted shall be first deposited into the Coast Guard Gift Fund.
- L. Borrowing. The borrowing of funds commercially or purchasing on deferred payment plans without prior written authorization from the CSC is prohibited.
- M. CSC MWR Grant/Loan Program.
1. The MWR Grant/Loan Program provides a mechanism for units to request MWR funds needed to supplement an existing MWR program that is experiencing a budgetary shortfall or for capital improvement.
  2. The CSC will not consider grants/loans to support/offset losses for MWR activities that are intended to be self-sustaining through user fees, i.e., recreation cottages, clubs, etc. Self-sustaining activities shall be operated in a business-like manner through increased user fees or closure, if necessary. The grant request shall support a justifiable need wherein the budget shortfall is unacceptable.
  3. The following criteria and rules apply to requests for MWR grants/loans:
    - a. The requested supplemental funds are needed to sustain the core of MWR activities currently offered by a command that benefits all, not just part of the Coast Guard community.
    - b. The following shall be included with the request:
      - (1) A copy of the complete unit MWR budget to include appropriated and nonappropriated fund sources.
      - (2) A narrative description of what MWR services will not be provided if a grant is not approved.
      - (3) A description of the command's plan to correct the situation in the long term.
      - (4) A listing of available community and DoD facilities in the area.
      - (5) A statement that appropriated funds have been sought but are not available.
      - (6) Balance sheets for the previous three quarters and one at the time of the request.

- (7) A pro forma income statement for the activity's operation and the proposed payback period for any loan.
4. Unit requests require appropriate cognizant authority and chain-of-command endorsements. Endorsements supporting grant/loan requests shall state that appropriated and nonappropriated funds are not available to support the budget shortfall.
5. Should the cognizant authority or chain-of-command be unable to approve the grant/loan, the request should be forwarded to the CSC for final action.

## CHAPTER 7 STAFFING

### A. General.

1. This Chapter governs the staffing of MWR positions throughout the Coast Guard.
2. As illustrated in Appendix E., the staffing of MWR programs with military billets and civilian positions may be authorized. The expenditure of APF to staff MWR positions is authorized.
3. Commanding officers shall not reprogram any MWR military billet or civilian position at their command without prior approval of the chain-of-command, including the CSC and affected Headquarters program managers, including Commandant (CG-111) for Child Development Center positions.
4. Commands shall include a representative of the CSC in the hiring process of any full time, APF MWR Director/Officer position or the most senior APF MWR civilian position at the command.

### B. Personnel Management.

1. APF MWR military member and civilian employee management shall be administered in accordance with policies and procedures promulgated by Commandant (CG-1) and the PSC.
2. NAF MWR civilian employees shall be managed in accordance with Reference (f). When requesting the establishment of new MWR positions, commanding officers shall consider recurring personnel services liability and the ability to fund it through their morale fund activities. The establishment of any MWR NAF position shall be forwarded from the command to the CSC for approval. Additionally, the CSC is required to review any adverse personnel actions being considered prior to taking any actions. The pay and personnel support systems for all NAF MWR employees will be provided by the CSC.
3. The termination of a NAF MWR employee may result in an unemployment compensation claim. When termination action is taken, MWR officers should determine the amount of unemployment compensation liability and budget NAF, accordingly. Unemployment compensation expenses are the responsibility of the unit that hired the NAF employee.
4. Background checks shall be in accordance with Reference (m) and Public Law 101-647. Any MWR program that hires (or contracts for hire) individuals involved with the provision to children under the age of 18 childcare services, including recreational programs, shall ensure that all existing and newly-hired employees undergo a Tier I, Child Care National Agency Check and Inquiries (CNACI) and State Criminal History Repository Checks (SCHRC) for all states listed on the background investigation that the potential employee identifies as prior or current residences. This background



investigation will be the same as those conducted on child development center employees and shall be renewed every five years. Commands shall maintain the documentation to support the successful completion and renewal of these investigations. Employees may be allowed to begin employment prior to the documentation of a successful background investigation as long as they stay in the continuous, direct line of sight supervision of an employee with a adjudicated successful background check. Commands shall ensure that these employees are clearly identified in the work environment (i.e., wear a certain color shirt). Additionally:

- a. A background check is only required for those GS/NAF employees, military, contractors, or volunteers that are providing recreational programs and services targeted directly at children under the age of 18 years. For example, a lifeguard at a swimming pool providing this service to all available patrons, may not be required to have a criminal history background check; however, a youth director, camp counselor, or youth sports coach would. If the lifeguard provides service to children under the age of 18 without parent/ guardian present, then they should be required to have a Tier 1 background check in accordance with Reference. (m).
  - b. A check by Commandant (CG-1111) will also be conducted via the Coast Guard and DoD Family Advocacy Central Registries and the National Sex Offender Public Website.
  - c. In accordance with Reference (m), any conviction for a sex crime, an offense involving a child victim, or a drug felony will be grounds for denying employment or for dismissal. Conviction of a crime other than a sex crime may be considered if it bears on an individual's fitness to have responsibility for the safety and well-being of children. For a full list of convictions, reference Federal Law- 45 CFR § 98.43. /42 U.S. Code § 9858f.
  - d. MWR programs are encouraged to submit identifying information for background checks on volunteers delivering MWR services targeted at children under the age of 18 years, although this is not mandatory. Commands may use volunteers without background investigations, but only under the same conditions for employees awaiting the return of theirs. Volunteer Community Service is non-obligatory service to a public entity or a private, nonprofit organization that is representative of a community or a significant segment of a community and that is engaged in meeting human, educational, or environmental community needs, including churches and other religious entities and community action agencies, Reference (y).
  - e. Commands providing childcare services in conjunction with MWR events shall comply with the same standards as detailed, above.
5. Volunteers are essential to the successful execution of MWR-related functions such as picnics, holiday parties, and Coast Guard Day. Volunteers are not authorized to fill either APF or NAF positions or perform any work governed by position descriptions. Military members may be assigned to MWR activities as authorized in Appendix E. of this Instruction, but may not be assigned any duties in Category C Activities such as

bartenders, wait staff, cooks, etc. Certain volunteers working with children under the age of 18 are required to have the appropriate background check.

6. The policies and processes for obtaining background investigations on NAF employees is governed by Reference (f) and (m) and administered by the CG Security Center.
7. Reference (f) and (o) applies to hiring within the MWR program, including the prohibition of commands from hiring their relatives or advocating for the employment of their relatives within their MWR programs.

## CHAPTER 8 REPORTS, RECORDS, AND AUDITS

### A. Morale Fund Financial Statement (Form CG-2985).

1. General. The Morale Fund Financial Statement, Form CG-2985, is the basic document for recording financial results of operations for morale activities and reporting the financial status of the morale fund. It provides the commanding officer with the financial information regarding the morale fund necessary for sound management decisions. The following forms support the information contained on the Morale Fund Financial Statement, Form CG-2985. It is understood that based upon the size, complexity, and degree of automation available at the unit, these forms may not be adequate in identifying the periodic financial reporting requirements. To that end, commands are authorized to use QuickBooks Pro Online to substitute these forms. If using QuickBooks Pro Online, the unit shall use the MWR Standard Chart of Accounts.
  - a. Operating Summary, MWR Activities, Form CG-2985A.
  - b. Morale Fund Transaction Accounting Sheet, Form CG-4517.
  - c. Morale Fund Inventory Accounting Sheet, Form CG-5017.
  - d. MWR Standard Chart of Accounts, Appendix U.

Depending on the MWR activities conducted at a unit, all the forms may not be required. Appendix P. provides detailed guidance in preparing the report and supporting forms or documentation. It also provides a summary listing of reports due in conjunction with the MWR program.

2. Submission. All commands with morale funds are required to complete and submit a Morale Fund Financial Statement or its equivalent, as follows:
  - a. Unit morale funds and consolidated morale funds to their cognizant authority. Units operating Category B or C activities within their morale fund shall submit a copy of their reporting submission to the CSC.
  - b. Units that have the CSC as their cognizant authority for MWR purposes.
3. Reason for Report.
  - a. Quarterly. Quarterly reports shall be prepared, submitted, and received as prescribed above to the cognizant authority, within 30 days following the end of the quarter. Closing dates for the four quarters are 30 April, 31 July, 31 October, and 31 January.
  - b. Disestablishment of Morale Fund. Upon disestablishment of a morale fund, a Morale Fund Financial Statement, Form CG-2985 or equivalent, shall be prepared and submitted within 15 days of disestablishment reflecting the final disposition of all

- assets and liabilities. The morale fund's net worth on this final statement should be \$0.00. Commanding officers shall forward 100 percent of the final cash balance to their cognizant authority. See Chapter 6.H of this Instruction for detailed guidance on the disestablishment of Morale Funds.
- c. **Relief of the Custodian of the Morale Fund.** When permanently relieved, the custodian of the morale fund and successor shall jointly prepare a Morale Fund Financial Statement, Form CG-2985, as of the date of the relief. The custodian of the morale fund retains responsibility until relieved by signature and approved by the commanding officer on the Morale Fund Financial Statement, Form CG-2985. An independent financial audit of the morale fund is also required at this time. In the event that the incumbent of morale funds is not available for the relief process, the auditor shall document that fact in his/her findings of the morale fund to the commanding officer.
4. **Distribution of Copies.** For quarterly and final reports, the original is forwarded to the cognizant authority and a copy shall remain in the unit records. Copies of reports for Category B and C activities, along with any local unit MWR reports, shall be forwarded to the CSC. For a relief report, the original is forwarded to the cognizant authority, a copy retained in the unit records, and it is recommended that copies be retained by the outgoing and incoming custodians. Only the CSC may grant extensions to the reporting requirements for shore commands with Category B and C MWR Activities.
  5. **E-Mail Report.** In the event that operational commitments preclude a floating unit from submitting its report as identified above, an e-mail report shall be submitted to the cognizant authority. See Appendix Q. for this format. As soon as practicable upon return to port, floating units shall provide their cognizant authority with the original Morale Fund Financial Statement, Form CG-2985 or equivalent.
  6. **Corrected Reports.** In the case of errors, a corrected report shall be forwarded as prescribed for regular reports. Along with the corrected report, a memo explaining the corrections is required.

#### B. Records and Accounts.

1. **General.** All records shall be kept so that auditors and inspecting officers will be readily able to identify and analyze individual transactions to determine the financial conditions of the morale fund. Records shall be maintained and disposed of in accordance with Reference (g).
2. **Morale Fund Financial Statement, Form CG-2985.** Each unit shall maintain a file of Morale Fund Financial Statements, Form CG-2985 (or their equivalent) submitted and the following supporting documents, as appropriate:
  - a. **Operating Summary, MWR Activities, Form CG-2985A.** This form is designed to record the results of operation of resale activities. It shall be part of the

documentation submitted to support the Morale Fund Financial Statements, Form CG-2985.

- b. Morale Fund Transaction Accounting Sheet, Form CG-4517. This is the principal book of entry for the morale fund. This accounting sheet is used to record all receipts and expenditures that affect the net worth of the fund. The information from this single entry accounting log will be used in the preparation of the Operating Summary, MWR Activities, Form CG-2985A, or the Morale Fund Financial Statement, Form CG-2985.
- c. Morale Fund Inventory Accounting Sheet, Form CG-5017. This form may be used to keep a running balance of inventory levels and to record dates, quantities, and values of purchases. The Morale Fund Inventory Accounting Sheet, Form CG-5017, will not be part of the quarterly Morale Fund Financial Statement, Form CG-2985, submission; however, it shall be available for the auditor's review.

Detailed instructions and examples to fill out all forms are included in Appendix P.

### 3. Checking Account.

- a. All morale funds shall maintain a file of checking account bank statements, canceled checks (if returned), deposit receipts, and check registers/electronic file.
- b. Checking accounts shall be maintained in accordance with the following instructions:
  - (1) Bank accounts shall be carried in the full name of the morale fund, not in the name of an individual. For example: "USCGC WAESCHE Morale Fund." All checks shall be printed with the full name of the morale fund.
  - (2) Bank depositories shall be notified in writing that the Coast Guard Nonpay Compensation Program Board of Directors is successor in interest to the morale fund bank accounts and that no responsibility will attach to the bank after transfer of funds to or under order of, the Board. A copy of this letter shall be forwarded to the cognizant authority and to the CSC. See Appendix R. for a sample letter format.
  - (3) Except where cash accounts have been authorized, all expenditures from established morale funds shall be made by check or approved electronic transfer. If authorized expenditures are paid via electronic means, written documentation supporting the payment shall be maintained in the file.
  - (4) The check register shall be kept up to date. When withdrawals are affected, bank charges incurred, or deposits made, the check register shall promptly be updated (in ink if manual) with this information showing check number, date, payee, reason of expenditure, and balance, as appropriate.

- (5) Timely deposit of receipts is necessary for the effective operation of a business. Deposits of cash and check receipts on hand will be made daily unless collections of currency and coins total less than \$200. Deposits may be deferred until that amount is accumulated, or made on a weekly basis, whichever is sooner. This may not be applicable due to operational commitments of floating units. In any case, NAF morale funds shall be secured in a container rated for the amount of cash and cash equivalents held. Additionally, cash, checks, or credit card receipts shall not be kept in a personal residence or any facility not part of the unit's MWR program.
- (6) Checking accounts shall be reconciled to the bank statement monthly. Documentation of these reconciliations are required on the statements.

4. Cash Management Program.

- a. The Cash Management Program is no longer being offered; units currently enrolled are grandfathered.
- b. The Cash Management Program provides the rapid collection of system cash receipts into a central bank account and pooling of funds to enhance investment return. Funds remain in the control of the local custodian and all interest earned is allocated back to units on a quarterly basis, after deduction of bank charges.
- c. Units may participate in the CSC-managed Central Cash Management Program in accordance with Reference (a). Any morale fund wishing to withdraw from the Central Cash Management Program shall have written approval of the CSC. In general, commands maintaining accounts with less than a \$10,000 annual average may be asked to disestablish their accounts.
- d. Those activities not participating in the Central Cash Management Program shall bank with a reputable banking institution where deposits are covered by Federal insurance. Bank selection should then be based on which institution is willing to pay the highest interest rate or provide the best service to the command.

5. Cash Accounts.

- a. When authorized by the cognizant authority, a cash account for change making or a petty cash account for small purchases may be established. Authorization shall be based on a known need for immediate cash. (In cases where a unit morale fund net worth is so small that a checking account would be impractical, the cognizant authority should first consider disestablishment of the morale fund and operate as a satellite morale unit.).
- b. The cognizant authority shall establish monetary limits consistent with the needs of the fund and fiscal controls on the cash account, as appropriate.

- c. The unit shall maintain a record of the petty cash fund similar to that of a check register that documents receipts, disbursements, date, and reasons for transactions. A copy of the authorization memo shall be retained in the permanent morale fund files and with the cash fund, where practicable.
  - d. Any changes to a cash account authorization shall be approved in writing by the cognizant authority. Memo authorizations for cash accounts shall state that the amount authorized is not a range and the command is responsible for the authorization cash amount at all times.
  - e. Cash accounts shall be “surprised audited” at least quarterly and the documentation of this audit retained in morale fund files.
6. Savings Accounts and Reserves.
- a. Normally, units with excess morale funds above normal operating requirements or with funds awaiting a special project should consider deposit in an account with the highest rate of return, subject to the other restrictions of this Chapter and Reference (a). In addition, funds shall be set aside for recapitalization of Category B and C MWR activities, especially facilities and equipment.
  - b. At a minimum, 25 percent of the annual net profit shall be retained and accounted for on the balance sheet for recapitalization.
  - c. Commands with NAF personnel shall budget to have a cash reserve of up to three pay periods to cover NAF personnel expenses.
  - d. The purchase of stocks or other forms of securities is prohibited.
7. Accounts Payable File. MWR officers/directors are required to pay their obligations when due. Obligations shall not be made without funds being currently available, including payroll. This is consistent with the requirement of maintaining an acid test ratio of one-to-one as described in Chapter 6 of this Instruction. However, it may be necessary to delay payment on an invoice due to disagreement with the invoice, partial shipment of an order, or emergency administrative situations. A separate file of accounts payable shall be maintained for review by auditors to determine the morale fund liabilities. The accounts payable file shall be maintained such that payables are grouped in categories of when due, such as, current, 0-to-30 days, over 30 days, over 60 days, and over 90 days past due. The Accounts Payable schedule shall be submitted in conjunction with the submission of morale fund financial statements.
8. Accounts Receivable. MWR officers/directors are required to aggressively collect amounts due their morale fund. A separate accounts receivable file shall be maintained for review by auditors to determine amounts due the morale fund. The accounts receivable file shall be maintained such that receivables are grouped in categories of “how long owed,” such as, current, 0-to-30 days, over 30 days, over 60 days, and over 90 days owed. Documentation shall be kept on file to support steps taken to collect amount owed.

over 90 days. The Accounts Receivable schedule shall be submitted in conjunction with the submission of the morale fund financial statements.

9. Other Receipts/Income. Other receipts and income may represent a significant amount of revenue for a MWR Fund during a period. To that extent, a breakdown of the amounts reported as other receipts and income shall be included with any morale fund financial statement submission. This breakdown will include the type or source of the revenue and the amount.
10. Property Records. Units shall maintain property records in accordance with Reference (p). The following are examples of accountable MWR property, whether procured with APF or NAF:
  - a. MWR property valued at \$5,000 or more including those purchased with NAF.
  - b. Any other items at the discretion of the command that have popular appeal, are difficult to control, or are easily misappropriated for personal gain. All watercraft shall be included on the unit's property records.
  - c. Reportable MWR property shall be inventoried annually in conjunction with an audit and at relief of the custodian or disestablishment of the fund. Additionally, in order to facilitate APF Coast Guard Financial Statement preparation, all APF property shall be inventoried when directed. This inventory shall be reconciled with property records.
  - d. All MWR NAF property that meets the mandatory reporting requirements of Reference (p) shall be recorded in Oracle FAM using the Item Name Code (INC), MWRXX.
11. Retention of Records. Records pertaining to MWR activities shall be maintained on the schedules outlined in Reference (g) and the guidance contained below. In general, the following applies:
  - a. Letters of authorization for Coast Guard MWR activities to operate.
  - b. Records and supporting documents for administration of Coast Guard MWR activities including bank statements, check registers, cash books, voided checks, receipts, expenditure vouchers, purchase orders, vendors' invoices, daily activity records, guest register cards/logs, stub requisitions, food and beverage cost control sheets, petty cash vouchers, reports and related papers: Maintain in accordance with the requirements of the National Archives and Records Administration (NARA), with the exception of a litigation hold and/or records freeze.
  - c. Records of Coast Guard MWR property: Maintain in accordance with the requirements of the National Archives and Records Administration (NARA).

C. Financial Audits. The financial audit is performed to obtain reasonable assurance that the



MWR financial statements are free of material misstatements. An audit would include examining, on a test basis, evidence supporting the amounts on the financial statement. The audit would also include assessing the accounting principles used and significant estimates made by the MWR officer/director as well as evaluating the overall financial statement. Additionally, the audit should include a determination if applicable regulations, policies, and procedures are being adhered to in the conduct of day-to-day operations. The primary responsibility for the audit of morale fund reports and activities rests with the commanding officer.

1. Audit Boards. The following criteria shall govern in the designation, in writing, of audit boards:
  - a. The board shall function under the direct control and supervision of the Commanding Officer or Executive Officer/Officer-in-Charge or Executive Petty Officer-in Charge.
  - b. The board shall consist of one or more independent, qualified military or civilian personnel. When available, personnel will be selected who have had previous experience or training in accounting, auditing, financial administration, or related fields.
  - c. The board shall audit all morale fund activities. At large units with several complex MWR activities (i.e., bowling centers, golf course, clubs, etc.) it may be necessary to assign continuing responsibility for specific activities so an auditor can become thoroughly familiar with that activity.
2. External Audit. Commands with NAF employees within Category B and C MWR activities shall engage a Certified Public Accountant (CPA) to conduct its annual MWR audit once every three years. A local audit board shall be used during other years.
3. Requirements.
  - a. Frequency. Units with morale accounts shall conduct a financial audit on an annual basis. For units requiring an external audit, these are required every 3<sup>rd</sup> year by a CPA firm. The audit period will be from 01 February through 31 January of each NAF year. Additionally, audits shall be required upon relief of the morale fund custodian and upon disestablishment of the morale fund. Morale funds that are reviewed by external public accounting firms shall also be audited during that year.
  - b. Documentation. Audits shall be documented by audit work papers, additional records as required, and a memo report to the commanding officer fully explaining the audit scope (including but not limited to the audit period), findings, and recommendations. Appendix C. to this Instruction shall also be completed in conjunction with the audit. If the audit is conducted by a CPA, the completion of Appendix C. to this Instruction shall be completed by the command. Local audit boards shall retain audit working papers and additional records.

- c. Inventories. Resale inventory shall be inventoried in conjunction with each audit and the results reconciled with Morale Fund Inventory Accounting Sheet, Form CG-5017, or any equivalent. As a general guide, commands with inventories reportable on their Morale Fund Financial Statements shall have individuals not involved in the selling of the items being inventoried taking the physical inventory. An inventory plan shall be developed prior to the actual physical inventory and individuals taking the inventory should be trained and familiar with this plan. Inventory should be taken by teams of at least two members, where one member counts the items and the other member acts as recorder. Inventory sheets should be pre-numbered and signed by the inventory teams so that the MWR Officer/Director can account for all inventory sheets issued and reconcile any discrepancies with the inventory takers. Inventories of all resale inventory shall be made quarterly and upon the relief of the custodian of the fund. Property inventories shall be made upon the relief of the morale fund custodian.
  - d. Cash Verification. Cash funds shall be verified in conjunction with each audit. Monthly bank statements and reconciliations shall be reviewed for completion and accuracy.
  - e. Certification. If the morale fund financial statement is audited by a local audit board and the Morale Fund Financial Statement, Form CG-2985, is used and the financial condition is fairly presented, the auditor(s) shall sign the certification section of the Morale Fund Financial Statement, Form CG-2985, and present this to the command along with his/her memo report. If the morale fund financial statement is audited by a local audit board and the Morale Fund Financial Statement, Form CG-2985, is not used and the financial condition is fairly presented, the auditor(s) shall prepare a memo to the commanding officer attesting to the scope of the audit, the reasonableness of the presentation, with any recommendations and comments. If the morale fund financial statement is audited by a local audit board and the local audit board does not consider the morale fund financial statement fairly presented, the auditor(s) shall prepare a memo to the commanding officer explaining the unsatisfactory conditions with corrective recommendations.
4. Reports.
- a. Audit reports prepared by local audit boards shall be presented to the commanding officer/officer-in-charge after completion of audit. With the exception of CPA audit reports which typically are completed in the June/July timeframe of each year, copies of audits and command responses to the findings and recommendations shall also be forwarded to the cognizant authority no later than 60 days after the completion of the audit.
  - b. Command comments and action plans for the findings made by auditor(s) and the periodic follow-up on the status of these findings and recommendations are integral parts of the audit process. Within 30 days after receipt of the audit report, the custodian of the fund shall notify the commanding officer in writing of action to be

- taken to correct deficiencies and make improvements, as appropriate. A copy of this memo shall be provided to the audit board and the cognizant authority.
- c. Commanding officers shall keep cognizant authorities aware of any major irregularities.
5. Audit Guide. An audit guide is included in Appendix S., shall be used by the audit board in conjunction with any local command audits.

D. MWR Surveys.

1. MWR User Survey.

- a. To ensure MWR expenditures promote programs that operate for the greatest benefit of its customers, MWR user needs shall be assessed. An active Morale Committee will provide valuable feedback for the services desired in the MWR program. Another assessment tool is the MWR User Survey.
- b. All commands shall conduct MWR User Surveys at least once every three years to ensure the MWR program remains responsive to our members. Commands with active morale committees that have no Category B or C MWR Activities, or afloat and isolated units, may use morale committee minutes and their endorsements to meet the MWR User Survey requirements.
- c. The MWR Officer/Director should distribute the survey to all active duty members of the unit. It should also be made available to other eligible patrons that may be served by the MWR program.
- d. The MWR Officer/Director shall report the survey results to the commanding officer. The report should include any problems and recommendations to correct the problems. For example, if the survey reveals that few Coast Guard members are using a particular MWR activity, or that an activity requires a disproportionate amount of MWR funds to support, the MWR Officer/Director should recommend redirecting those resources into a more popular MWR activity.
- e. The survey should be used as a planning tool in developing annual MWR budgets.
- f. Appendix T. is a sample MWR User Survey. This survey, modified to assess particular unit MWR programs, is acceptable in complying with the survey requirement. At a minimum, an MWR user survey shall provide the following information:

- (1) A listing of all MWR activities available locally. (Include community and other military facilities as appropriate.)
- (2) Frequency-of-use information to determine MWR user participation for each activity.
- (3) User awareness of all available MWR facilities/activities.
- (4) MWR user comments and/or recommendations.
- (5) In developing surveys, commands shall avoid collecting any Personal Identifiable Information (PII) and if they do, have the processes in place to safeguard the information collected.

## **CHAPTER 9 DISTRIBUTION OF COAST GUARD EXCHANGE SYSTEM (CGX) PROFITS TO MWR**

- A. Purpose. The available profit generated by CGX is an important funding stream for the MWR program. The CGX profit distribution method is intended to provide fair and equitable NAF MWR funding in support of MWR programs, Coast Guard-wide. The distribution methodology described below is not a mandate for the use of these funds. Commanding officers may use the NAF distributed to them through this process to support all eligible MWR patrons in accordance with the provisions set forth in this Instruction.
- B. Coast Guard Exchange System Profit Distribution.
1. The distribution of CGX profits to MWR will normally be based on the previous year's annual, NAF year system-wide net profit of the exchange system and cash projections based on the CGX for the budget year.
  2. The distribution will be approved by the Nonpay Compensation Program Board of Directors as part of the annual CGX budget approval process.
  3. This distribution will be based on a straight per capita of active duty billets on the Personnel Allowance List, after all central MWR NAF projected expenses have been funded. Distribution of these profits will be through the appropriate Base or units that have CSC as their cognizant authority for MWR purposes. No distributions will be provided for training billets or billets being held awaiting the commissioning of commands.
- C. Redistribution of CGX Profit.
1. Commands that have morale fund distribution responsibilities are authorized to redistribute CGX available profit in support of the MWR program as long as a well documented, written distribution plan has been approved by the appropriate chains of command, including the appropriate District staffs, within that AOR.
  2. When approved by the Board of Directors at the beginning of each NAF year, the CSC will provide MWR distributions to the appropriate cognizant authorities for further distribution. Within two weeks after the receipt of these distributions from the CSC, cognizant authorities shall ensure that these distributions are provided to commands that report to them for MWR purposes. Commands with morale fund distribution responsibilities are authorized to withhold distributions to units when financial reporting requirements at the unit have not been met.
  3. Commands with morale fund distribution responsibilities shall develop and keep on file, an updated, approved written plan for the further distribution of MWR NAF funds throughout their AOR. If distributions are withheld for central expenses, the plan shall state these purpose.

**CHAPTER 10 PROCUREMENT, RESALE, AND DISPOSAL****A. Procurement.****1. General.**

- a. Items of equipment and supply for MWR activities can be procured/ obtained through one of four sources: APF, NAF, Excess Personal Property Listings and the gift acceptance process.
- b. Items are chargeable to APF as outlined in Appendix E. NAF may be used when APF is not available; however, the goal should be to use APF in 100% of the instances where APF is authorized.
- c. All resale merchandise shall be purchased with NAF.
- d. The items procured strictly for rental for revenue generating purposes, Category C MWR Activities, shall be purchased with NAF.
- e. Memberships to facilities (like private fitness centers) purchased with APF may not be used to generate NAF through their sale or assessed a charge for their use.
- f. To the maximum extent possible, MWR activities should take advantage of the trade-in value of material purchased with NAF.
- g. The procurement of equipment and supplies with APF MWR will be in accordance with Reference (k). Other sources of APF procurement regulations shall also apply.
- h. MWR equipment (consumables and accountable property) purchased with APF shall be accounted for as Coast Guard property until disposed of in accordance with Reference (p).
- i. Procurement of bounce inflatables such as bounce/jump houses are prohibited. For events such as CG Day, units may rent from a reputable business that properly sanitizes and maintains inflatables/equipment along with a general liability insurance policy to cover bodily and property damage.

**2. Procurement with NAF.**

- a. The procurement of equipment, supplies, or services with NAF shall be in accordance with Reference (a). NAF procurements are subject to the same close scrutiny that is directed at all Government purchases. Sound business practice requires they be made in the public interest and exhibit a high degree of professionalism.

- b. NAF activities at overseas locations are authorized to purchase foreign goods and services as outlined in current directives. To the maximum extent possible, units should take advantage of favorable exchange rates.
  - c. Equipment and supplies purchased with NAF will be retained as the property of that morale fund as prescribed in Chapter 8.B.10 of this Instruction.
  - d. Debit and credit cards may be used as a procurement tool per the procurement guidance obtained in Reference (a). Commands using these type cards for NAF procurement purposes shall establish internal controls to properly safeguard them.
3. Excess Personal Property Listings. Excess personal property appearing on excess listings of CG, DoD and GSA activities may be requested and obtained by MWR activities. Excess property acquisitions shall be coordinated with the command property officer.

B. Resale Operations.

1. Policy.

- a. The CGX is the primary source of resale merchandise in the Coast Guard. MWR activities shall not engage in the sale of merchandise except that which is directly related to the purpose and function of a particular activity and if the particular resale requirement cannot be met in a responsive manner by CGX.
- b. When resale functions are conducted by MWR and authorized in writing by the CSC, the following provisions apply:
  - (1) No type of merchandise may be sold in the continental United States that is not an authorized item for Coast Guard exchanges.
  - (2) Prices of like merchandise shall not be sold lower than merchandise sold through Coast Guard exchanges. This includes vending.
  - (3) All sales shall be by cash, check, or credit or debit card, if accepted. "On account," credit, or "tabs" are not authorized.
  - (4) Commands shall not write an individual's Social Security Number or other PII on any method of payment. The required safeguards shall be in place for any personal information taken from patrons.
  - (5) Commands shall get written authorization from the CSC prior to accepting credit or debit cards, as a form of payment for goods or services within the MWR/NAFI program, with a point-of-sale (POS) system or with an online third-party service provider. Commands shall maintain Payment Card Industry (PCI) and European Mastercard VISA (EMV) compliance, annually, in order to accept payment cards. The CSC will provide annual compliance standards for units to fulfill. Failure to maintain compliance will result in the loss of the ability to accept payment cards

as a form of payment. Commands authorized to accept payments cards within their MWR/NAFI program, will be required to pay their prorated share of the central Cyber Insurance premium expense associated with PCI/EMV compliance.

- (6) Peer to Peer transactions for MWR goods or services are prohibited. Peer to peer payment transactions are defined as, any payment between two individuals personal bank accounts. Example, the utilization of peer-to-peer Venmo, Zelle, and other similar applications are not authorized.
  - c. Except for vending machines, resale operations will not be operated by MWR on afloat units, except as provided for in Paragraph B.1.b.
  - d. Units desiring to establish resale activities shall do so in writing to the CSC via the cognizant authority. This includes requests from private associations to conduct resale activities at the command. This request shall include, at a minimum, a detailed list of proposed items for sale and a dollar amount of inventory that will be carried. Those requests that are approved will receive a memo of authorization for this activity from the CSC that shall be retained in MWR files of the command. Only units with an established morale account will be authorized resale activities.
2. Report of Existence of Hazardous Resale Merchandise.
- a. MWR activities that have knowledge of, or that have received notification from an official source (Food and Drug Administration, Department of Agriculture, vendor, manufacturer, or other reliable source), of the existence or suspected existence of hazardous resale merchandise shall immediately provide the following information to the CSC:
    - (1) Activity reporting.
    - (2) Type of resale merchandise suspected to be hazardous.
    - (3) Source of information and/or basis of determination that the product is considered hazardous or contaminated.
    - (4) Contractor/manufacturer (include plant address if known).
    - (5) Lot number (from case or unit) (can codes if available) and/or shipment number.
    - (6) Vendor name.
    - (7) Date of shipment and date of receipt.
    - (8) Quantity on hand.
    - (9) Description of suspected hazardous or contaminated condition.



- b. Upon receipt of notification of the existence or suspected existence of hazardous resale merchandise, the CSC will issue appropriate instructions to all MWR activities. In those cases where Commandant (CG-11) determines that a potential danger exists to other military consumers and commands, appropriate correspondence will be initiated to relay the essential information.
3. Resale Purchases.
  - a. When resale activities are authorized, such as food and beverage operations, inventories of resale merchandise are authorized consistent with sound business practices. Inventories shall be restricted to articles associated with MWR activities. The purchasing of inventory requirements from the local CGX is highly encouraged.
  - b. Unless otherwise directed in the authorization to resale merchandise from the CSC, resale merchandise may be purchased from the local market, local CGX, or other NAF activities of other Services. Procurement from commercial sources may be made without soliciting competitive proposals. However, every effort should be made to procure items at the least cost and best value.
4. Coin-Operated Vending Machines.
  - a. At shore units with exchanges or satellite exchanges, vending machines will be operated as outlined in Reference (a). Prior to establishing vending operations, units shall ensure compliance with all applicable regulations.
  - b. At shore units without an exchange or satellite exchange, but with an established morale fund, vending may be operated by the local morale fund, as long as the CGX has given the "right of first refusal."
  - c. If the cognizant authority determines not to establish a morale fund at a unit and the unit has no exchange or satellite exchange, and CGX has provided its right of first refusal, vending may be operated through the cognizant authority, via a concession agreement reviewed by the SLO, with a morale fund account. Prior to approval by the cognizant authority, an agreement is to be reached on any profit distribution.
  - d. Vending machines on afloat units may be operated as an MWR activity or as a CGX activity at the discretion of the commanding officer.
5. Coin-Operated Recreation Devices or Equipment. Coin operated recreation devices or equipment, such as pool tables, shuffle boards, video games, etc, that are basically recreational and are located at a MWR activity shall be operated by MWR and the proceeds deposited in the unit's morale fund. All MWR vending machines, including games, which contain items or give change greater than a dollar, are required to accept and dispense dollar coins. This also applies to any machines operated by a concessionaire. This does not apply to machines that do not accept more than one dollar and is not applicable to any recreation machine that does not provide change and does not

require a dollar to play. Machines that are required to accept dollar coins shall be properly marked with signs and notices that dollar coins are accepted and dispensed.

C. Concessions. Under a concession contract, the concessionaire operates his/her own business to provide a service to the MWR program. A fee may then be paid to the MWR activity based on the percentage of sales generated or a flat “per month” fee depending on the relationship most advantageous to the MWR program. Units may determine that providing services through concessionaire agreements are acceptable ways to deliver MWR programs at the least cost. When initiating a concessionaire contract, units shall ensure compliance with all federal regulations. Reference (a) provides guidance on concession contracts. Units shall submit any concession agreement for legal review to its SLO, prior to its use. Concession agreements for food and beverage operations are not authorized without the express written approval of the CSC. Approval considerations may include competition with other NAF activities at the command, potential concession termination costs, and liability issues.

D. Disposal.

1. Excess and unserviceable MWR property purchased with APF or obtained as a gift shall be disposed of in accordance with Reference (p). Units unable to document the sources of procurement of property shall consider it obtained through APF sources, including the gift acceptance process.
2. Excess and unserviceable MWR property purchased with NAF shall be disposed of in accordance with Reference (p), except the property may be sold at the end of its useful life and the residual value returned to the morale fund. Commands selling MWR property under the provisions of this subparagraph, shall ensure that property is sold only to an eligible MWR patron, and that a fair and equitable process is established to ensure that no one individual gains an advantage in the sales process over others. MWR employees and its chain of command may not participate in the sale of excess property defined in this Section. Any NAF property sold under the provisions of this Section shall be sold “as is” and shall be recorded on a bill of sale. Commands shall also ensure that they have the documentation to support that the property was purchased with Coast Guard NAF.

E. MWR Vehicles.

1. Policy.
  - a. A complete and up-to-date inventory of all MWR NAF vehicles shall be maintained by the unit in unit property records.
  - b. Vehicles shall be procured with due consideration to vehicle age, economy of operation (mpg), and maintainability.
  - c. For the purpose of this Section, recreational motorboats are not considered MWR vehicles. However, those meeting the criteria requirements for registration as

contained in Federal and/or State boating statutes are insured as a motor vehicle as described in Chapter 12 of this Instruction.

- d. Policies regarding MWR NAF vehicles are detailed in Reference (a).

2. Administration, Operation, and Maintenance.

- a. The administration and operation of all MWR vehicles are command responsibilities and should normally be under the direct supervision of the MWR officer/director. Reference (a) shall be adhered to in the use of any MWR vehicles obtained through NAF sources.
- b. Operators of all motor vehicles defined in this Instruction will have in their possession, at a minimum, a valid state motor vehicle operator's license.
- c. Although NAF vehicles are not subject to State inspection requirements, they shall be subject to the same inspection requirements as other Coast Guard vehicles with regard to frequency of inspection, safety requirements, and mechanical soundness, per Reference (q).
- d. The driver and all passengers shall wear seat belts when operating MWR vehicles or when operating private vehicles on MWR business.

3. Records and Reports. All activities will establish and maintain records and reports for MWR vehicles as required for all other Coast Guard vehicles as described in Reference (q).

4. Registration and Licensing.

- a. MWR activities are exempt from the payment of State and local registration and license fees on vehicles, including trailers and other MWR rolling stock, operated beyond the limit of the Government reservation. However, the following regulations shall be observed:
  - (1) MWR vehicles and trailers shall be assigned license plates issued by the Shore Infrastructure Logistics Center (SILC).
  - (2) Requests for license plates for each vehicle and/or trailer shall be submitted in writing to the SILC, via the CSC. Each request shall include the year, make, model, serial number/vehicle identification number, maximum number of miles one-way that the licensed items will travel from the unit, and purpose for each item being considered for a license plate. Units shall also identify the source of procurement of the rolling stock (APF, NAF, excess property lists or through the gift acceptance process).
- b. The transfer of license plates is prohibited.

- c. When disposing of any licensed rolling stock, the CSC shall be notified in writing, specifying date of disposal and type of disposal. The license plates shall be returned to the SILC.
  - d. Whenever a licensed rolling stock item is disposed of, all Coast Guard distinguishing identification shall be removed or obliterated.
5. Insurance. Any NAF insurance coverage required will be obtained by the CSC and the responsibility of the unit to pay.

**CHAPTER 11 FACILITY ACQUISITION AND MAINTENANCE****A. General.**

1. All construction and improvements to facilities in the Coast Guard are under the policy direction of the Assistant Commandant for Engineering & Logistics, (CG-4), Office of Civil Engineering, and the SILC.
2. NAF may be used for construction and improvements of MWR facilities when APF is not available or authorized. These projects shall be coordinated through and include the approval of the unit Facilities Engineer and the supporting Civil Engineering Unit (CEU), and the Product Line Manager.
3. Shore facility project execution is described in Reference (r).

**B. Construction.** Commanding officers and officers-in-charge shall ensure that proper attention is given to MWR facilities when preparing long term space needs and facility recapitalization at their units. Original construction modification or major rehabilitation of MWR facilities are to be included in any construction program requests submitted by commanding officers. These projects shall be reasonable solutions to an existing deficiency and be in accordance with existing criteria regarding type and size of facility. Collateral equipment for new construction should be provided from APF.

**C. Funding Projects with NAF.** Projects for new construction, alterations, repairs, or improvement that are to be financed from NAF shall be accomplished in accordance with Reference (a), the requirements of Paragraph A.2., above, and Appendix E.14. of this Instruction.

**D. Self-Help Program.**

1. Self-help programs are ideal ways to accomplish MWR projects that otherwise might not get done. Commanding officers are responsible for determining requirements, establishing priorities, and providing resources for accomplishing projects under the self-help program.
2. Materials used in the self-help program may be funded by APF or NAF based upon the guidance provided elsewhere in this Instruction. To pay military personnel or civilian employees for their professional expertise and labor during off-duty hours is contrary to this self-help policy and is prohibited.
3. Self help projects shall also be under the oversight of the unit Facilities Engineer or supporting CEU, as appropriate.
4. All self help projects should be inspected and verified by unit safety manager to ensure the work will not put our patrons at risk.

## CHAPTER 12 INSURANCE AND SAFETY PROGRAM

### A. Insurance Program.

1. A consolidated insurance program for all NAFI activities, involving self-insurance and commercial policies is in effect. This eliminates the need for individual units to obtain separate policies; it will ensure that all facilities and employees are protected with adequate coverage; and will minimize Service-wide insurance costs. The Insurance Fund in CSC initially pays all premiums; centrally these insurance premiums are then billed back to the commands.
2. Cognizant authorities and commanding officers are expected to continue all protective measures designed to keep insurance claims to a minimum by establishing inspections of facilities, proper maintenance of facilities to eliminate potential hazards, sanitary inspections, auditing, and safeguarding of funds, and other precautions deemed necessary. The safety and accident reporting procedures established in Reference (c) and in other Commandant directives are applicable to MWR activities, facilities, and equipment.
3. A brief description of the MWR coverage provided under the consolidated insurance program follows:
  - a. Comprehensive Public Liability Insurance. This insurance covers liability whether imposed by law or assumed under contract for personal injuries, other than to employees, and for damage to property of others. It may include liability resulting from the operations of watercraft. The limits of this coverage varies depending upon the policies negotiated periodically and may be obtained from the CSC.
  - b. Automobile Comprehensive Fire and Theft. This coverage is provided under the self-insurance program and is applicable to all owned automobiles, leased or hired vehicles, campers, and watercraft. Units will be expected to cover their losses through unit NAF. For units with NAF procured automobiles that desire to be covered under the CSC's NAF liability insurance policy, units shall contact CSC for enrollment.
  - c. Workman's Compensation. Employees paid by NAF are covered as follows:
    - (1) Public Law 85-538 requires that the benefits of the United States Longshoreman's and Harbor Worker's Compensation Act apply to all employees in the United States, and all United States citizens and permanent residents of the United States or a territory employed outside the United States.
    - (2) All other employees hired outside the United States will be covered in accordance with the laws of the country where they are employed, provided coverage by a private insurance company is permitted. Commands will be expected to pay for worker's compensation claims for their employees.

4. Items not covered by the consolidated insurance program.
  - a. Property. This includes buildings, improvements, and betterments owned by, or in which NAF MWR activities are responsible or have a financial interest. In most instances when damage or loss of property is due to a natural event such as a hurricane, APF is authorized for replacement or repair.
  - b. Fidelity. This includes loss of money, securities, or property caused by dishonest or fraudulent acts of employees. Units will absorb the loss involved in fidelity losses.
5. Each unit is responsible for any deductible amount. Units are not authorized to obtain separate insurance coverage unless specifically approved by the CSC.
6. Procedures for submitting claims and annual reports are contained in Reference (a).
7. Due to the technical nature of most insurance contracts, all inquiries/questions relative to the consolidated insurance program shall be directed to the CSC. Units are required to notify their SLO and the CSC upon knowledge of any potential liability claim in accordance with the provisions of Reference (a).

B. Safety Program.

1. Safety is a primary concern of every MWR program. The objectives of the MWR safety program are to:
  - a. Provide a safe place to work for our employees.
  - b. Provide a safe place of entertainment and recreation for our patrons.
  - c. Reduce the loss exposure of MWR fund assets.
2. All MWR Officers/Directors shall become familiar with the Coast Guard safety and health programs in Reference (c).
3. A safety inspection of all unit MWR facilities, including fitness equipment, watercraft, vehicles, and other related equipment shall be conducted at least annually using the Unit Safety Assessment Tool as defined in Reference (c). A file of these inspections and corrective action reports shall be maintained by each MWR Officer/Director.
4. Since MWR activities and programs have a higher degree of risk of injury, MWR Officers/Directors shall develop a documented quarterly inspection program to identify potential unsafe conditions. Additional guidance regarding health, safety, and fire inspections required at child development centers is contained in Reference (h).
5. Commands with food and beverage operations shall develop a routine food handler and food inspection program utilizing command Health Services technicians and Reference (s).

## Appendix A. Definitions

1. **ADA.** Americans with Disabilities Act.
2. **ARC.** American Red Cross.
3. **AOR.** Area of Responsibility.
4. **APF.** Appropriated funds.
5. **Appropriated Funds.** Funds appropriated by Congress through the annual budgetary process.
6. **Appropriated Fund Employee.** An MWR employee, either military or civilian, whose personal service expenses are typically paid with appropriated funds through the AFC-01 or AFC-08.
7. **CAF.** Cadet Activities Fund.
8. **CEU.** Civil Engineering Unit.
9. **CFC.** Combined Federal Campaign.
10. **CGES.** Coast Guard Exchange System.
11. **CGX.** Coast Guard Exchange.
12. **CISM.** Conseil International Du Sport Militaire.
13. **CO.** Commanding Officer.
14. **Cognizant Authority.** The cognizant authority is that command having oversight responsibilities for MWR issues or MWR non-appropriated fund distribution responsibilities for subordinate units and other commands.
15. **Command and Control.** Those managerial staff functions and positions located above the direct operational level of individual MWR activities that support planning, organizing, directing, coordinating, and controlling the overall operations of MWR programs at a command. Command and control consists of program, fiscal, logistical, and other managerial functions that are required to ensure oversight.
16. **Consolidated Morale Fund.** This fund is established at larger commands. The custodian of the consolidated morale fund prepares morale fund financial statements, as required, for the consolidated fund. The Consolidated Morale Fund Custodian also maintains, distributes, and accounts for the nonappropriated MWR funds distributed to subordinate units.



17. **CPA.** Certified Public Accountant.
18. **CPOA.** Chief Petty Officers Association.
19. **CPO.** Chief Petty Officer.
20. **CSC.** Community Services Command.
21. **C.F.R.** Code of Federal Regulations.
22. **DCMS.** Deputy Commandant for Mission Support.
23. **DHS.** Department of Homeland Security.
24. **Directed Activities.** Activities that normally require a supervisor to coordinate schedules, arrange transportation, and determine line-ups. Examples include varsity sports, tournaments, dances, and parties.
25. **DoD.** Department of Defense.
26. **EIN.** Employee Identification Number.
27. **EMV.** European Mastercard VISA.
28. **FRC.** Fast Response Cutter.
29. **General Purpose Property.** All personal property with the exception of vessels, aircraft, small boats, small arms, automotive vehicles and trailers, electronic equipment, buoys and navigational aids equipment, Yard Fund property, and contractor-held property.
30. **GSA.** General Services Administration.
31. **INC.** Item Name Code.
32. **Investment Equipment.** Property that would be capitalized as part of the facility, structure, or entity in which it was installed. An example would include commercial grade food service equipment permanently installed in a dining facility.
33. **JAG.** Judge Advocate General.
34. **MHPI.** Military Housing Privatization Initiative.
35. **MWR Funds or Morale Funds.** For the purpose of this Manual, those nonappropriated funds obtained through the distribution of CGES profits, fees and charges levied for the use of MWR programs, or authorized gifts received.

36. **MWR Vehicle.** A vehicle purchased with MWR nonappropriated funds or obtained from excess property. All maintenance and operating costs are funded with nonappropriated funds. As a note, no APF may be used in the acquisition and maintenance of MWR passenger motor vehicles.
37. **NADA.** National Automotive Dealers Association.
38. **NAF.** Nonappropriated funds.
39. **NAFI.** Nonappropriated Fund Instrumentality.
40. **NARA.** National Archives and Records Administration.
41. **NASBLA.** National Association of Safe Boating Law Administrators.
42. **NDVD.** Encrypted Digital Video Disk.
43. **NMPS.** Navy Motion Picture Service.
44. **Nonappropriated Funds.** Funds derived from sources other than those appropriated by Congress.
45. **Nonappropriated Fund Employee.** A MWR employee whose personnel service expenses are paid with nonappropriated funds.
46. **NSC.** National Security Cutter.
47. **OGA.** Other Government Agency.
48. **OIC.** Officer in Charge.
49. **OPFAC.** Operating Facility.
50. **OPM.** Office of Personnel Management.
51. **PCS.** Permanent change of station.
52. **PII.** Personal Identifiable Information.
53. **PCI.** Payment Card Industry.
54. **PCO.** Perspective Commanding Officer.
55. **POS.** Point-of-sale.
56. **POW.** Prisoner of War.

- 57. **PSC.** Personnel Service Center.
- 58. **QOL.** Quality of Life.
- 59. **Satellite Morale Unit.** A subordinate unit to either a Consolidated Morale Fund or Sector Morale Fund. A Satellite Morale Unit maintains no unit morale fund and submits no formal morale fund financial statements. Funds are transferred by cash or check to a satellite unit from either a Consolidated Morale Fund or a Sector Morale Fund to cover morale activities on a case-by-case basis. Expenditure receipts and unspent funds shall be returned to the “parent” MWR fund.
- 60. **Sector Morale Fund.** A morale fund established at a group, sector, or other higher level command for the use of that command and its subordinate units. These commands receive MWR NAF distributions from ISCs. The Group/Sector Morale Fund Custodian will maintain, distribute, and account for MWR nonappropriated funds and prepare morale fund financial statements for all MWR expenditures, including subordinate units, as required.
- 61. **SILC.** Short Infrastructure Logistics Center.
- 62. **SLO.** Serving Legal Office.
- 63. **SOFA.** Status of Forces Agreement.
- 64. **Self-Directed Activities.** Activities for which equipment and facilities are made available for individual or group use without supervision. Examples include televisions, reading rooms, and board games.
- 65. **TAD.** Temporary additional duty.
- 66. **Trailer.** Rolling stock used to transport boats and campers by towing with a motor vehicle.
- 67. **UCMJ.** Uniform Code of Military Justice.
- 68. **Unit Morale Fund.** A morale fund established at a unit that is for the sole use of that unit. A Unit Morale Fund receives MWR NAF distributions from its cognizant authority. The unit is responsible for preparing morale fund financial statements, as required.
- 69. **USAT.** Unit Safety Assessment Tool.
- 70. **U.S.C.** United States Code.
- 71. **USIA.** United States Information Agency.
- 72. **USO.** United Service Organization.
- 73. **Vessel.** This includes every description of watercraft or other artificial contrivance used, or

capable of being used, as a means of transportation on water. Examples would include sail boats, power boats, canoes, kayaks, and paddleboards and surfboards (if not used exclusively in the surf or waterline).

- 74. **WAGB.** Icebreaker Class cutter designation.
- 75. **WFS.** Warfighter and Family Services.
- 76. **WHEC.** High Endurance Cutter designation.
- 77. **WIX.** Training Cutter designation.
- 78. **WLB.** Buoy Tender, Sea Going designation.
- 79. **WLM.** Buoy Tender, Coastal designation.
- 80. **WMEC.** Medium Endurance Cutter designation.
- 81. **WMSL.** Maritime Security Cutter designation.
- 82. **WPB.** Patrol Boats Class designation.
- 83. **WTGB.** Icebreaker Tug designation.
- 84. **YMCA.** Young Men's Christian Association.

## **Appendix B. Administration And Oversight Of Private Associations**

### **A. Administration and Oversight of Private Associations.**

1. Private associations are an essential part of the military community. Commanding officer's have the responsibility of approving, in writing, organizations or associations to be located within their command as well as providing the requisite supervision over them. Private associations are self-sustaining, non-federal entities (NFEs), incorporated or unincorporated, that are operated on Coast Guard installations with the written consent of the unit commanding officer or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government or its instrumentalities. Generally, private associations are not exempt from State or local laws because they operate on Federal property. Private organizations shall obtain licensing, certification, or registration of association activities if required by State, local, or foreign authorities where the unit is located. They include those organizations that typically have Coast Guard members in their ranks. Such private associations include the Chief Petty Officers Association, the Chief Warrant Officers Association, Spouses' Clubs, etc. Private associations do not include other nonprofit organizations that may have Coast Guard MWR patrons as part of their membership, but rely on a larger pool for membership eligibility. They also do not include those nonprofit community organizations that desire to use Federal property for fund raising or other nonrecurring uses, unless authorized by Statute, regulation, or Executive Order.
2. Any NFE or private association desiring to use MWR facilities for other purposes outside the MWR program shall obtain the appropriate real property instrument (e.g. license or lease) through the Shore Infrastructure Logistics Center. This use is not part of the MWR program.
3. Commanding officers are authorized to permit the membership of private associations to conduct the associations' affairs and activities within areas under their command responsibility provided that:
  - a. The purpose of the association and its functions be specified in a constitution or an equivalent document such as articles of agreement, charter, bylaws, etc.
  - b. It be stated in the constitution or equivalent document that the association:
    - (1) Is not a NAFI and not part of the MWR program or Federal Government.
    - (2) Does not perform an essential function in the operation of the Coast Guard.
    - (3) Is not established to carry out any policies of the United States, but to satisfy the independent social, welfare, and recreational interests of the association's members and guests.
  - c. The association notifies the commanding officer in writing that:

- (1) The association has responsibility for making and keeping the area and facilities made available to it by the commanding officer safe for its members, guests, and the public.
- (2) All repairs and improvements peculiar to the use of a facility by the association will be made by the association at the expense of the association under the technical direction of the facilities engineer, or equivalent.
- (3) The association understands that the commanding officer may at any time inquire into the association's activities, and he/she may withdraw from the association the permission granted to it to conduct its activities at the command.
- (4) The association will immediately rectify any deficiencies brought to its attention by the command.
- (5) No officer or member of the association will use his or her official Coast Guard position to further the interests of the association.
- (6) The association has secured general liability insurance, as appropriate. Private associations are not considered to be instrumentalities of the Government for purposes of the Federal Tort Claims Act and, consequently, the Government is not liable for the association's activities. Insurance coverage for routine business meetings, however, while encouraged, is generally not critical as the risk and extent of liability is low. On the other hand, if the association sponsors an event or activity, it shall determine on a case-by-case basis, the need for general liability coverage. Of particular concern would be any circumstances or events which involve:
  - (a) Guests or the public.
  - (b) Increased risk of injury (i.e., athletic events, fireworks, etc.)
  - (c) Consumption of alcoholic beverages. In general, private associations should exercise due diligence in determining the type of events sponsored, where they are held, eligible participants, and how much liability is assumed in organizing an event.
- (7) The association's pursuits and operations are not in violation of policies and directives promulgated by the DHS or the Coast Guard.
- (8) The activities of the association and the actions, behavior, and conduct of its members and guests will not bring discredit to the DHS or the Coast Guard.
- (9) The association will not engage in any activity that competes with Coast Guard nonappropriated fund activities, specifically MWR or CGX activities.
- (10) The constitution or equivalent document specifically provides for the proper disposition of residual assets upon dissolution.

- (11) The association is self-sustaining, both operationally and financially.
  - (12) The association does not discriminate because of age, sex, sexual orientation, race, color, religion, national origin, or physical handicap.
  - (13) The provision of any services to children under the age of 18 by its members shall comply with the same background investigation requirements as detailed in Chapter 7 of this Manual.
- 4. Private associations operating as bona fide extensions of APF or NAF recreational or educational activities need not fulfill the procedural requirements as detail in Paragraph A.2.c. above, except items in Paragraph A.2.c.(12) and (13), although they are subject to the other provisions of this Appendix.
  - 5. Federal employee relationship with any private association operating on an installation is governed by prevailing U.S. Government and U.S. Coast Guard ethics regulations.

**Appendix C. MWR Program Inspection Checklist**

- A. These inspection checklists are intended as an aid for cognizant authorities in performing inspections on subordinate units. They may also be used by the commanding officer in any reviews or inspections at the local level in determining the overall effectiveness of the program.
- B. These checklists are not all-inclusive. Their purpose is to identify areas which may not be in compliance with the guidance provided in this Manual. Further examination and/or audit are encouraged, when warranted.

MWR PROGRAM INSPECTION CHECKLIST

Unit: \_\_\_\_\_

Date of Inspection: \_\_\_\_\_

Date of Previous Inspection: \_\_\_\_\_

Date Assigned In Writing: \_\_\_\_\_

Grade/Rank/Rate: \_\_\_\_\_

Date Assigned In Writing: \_\_\_\_\_

Grade/Rank/Rate: \_\_\_\_\_

Officer Personnel Authorized: \_\_\_\_\_

On Board: \_\_\_\_\_

Enlisted Personnel Authorized: \_\_\_\_\_

On Board: \_\_\_\_\_



MWR Employees: \_\_\_\_\_

Appropriated: \_\_\_\_\_

Civilian Full Time Authorized: \_\_\_\_\_ Assigned: \_\_\_\_\_

Civilian Part Time Authorized: \_\_\_\_\_ Assigned: \_\_\_\_\_

Military Full Time Authorized: \_\_\_\_\_ Assigned: \_\_\_\_\_

Military Part Time Assigned: \_\_\_\_\_

Nonappropriated: \_\_\_\_\_

Full Time: \_\_\_\_\_

Part Time: \_\_\_\_\_

Part Time Intermittent: \_\_\_\_\_

(Military members employed in MWR by NAF) \_\_\_\_\_

Customer Base: \_\_\_\_\_

Officer: \_\_\_\_\_ Enlisted: \_\_\_\_\_

Dependents: \_\_\_\_\_ Retired Personnel Living In Area: \_\_\_\_\_

Reservists: \_\_\_\_\_ Civilians: \_\_\_\_\_

Collocated Units (Lists): \_\_\_\_\_

Other: \_\_\_\_\_

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
1.	Is an updated copy of the MWR Manual available?			
2.	Is a copy of the Nonappropriated Fund Instrumentalities (NAFI) Manual, COMDTINST M7010.5 (series) available?			
3.	Are contracts/use agreements being use containing hold harmless and indemnification clauses? Chapter 1.F.2.g.			
4.	Were contracts/use agreements reviewed by the Serving Legal Office prior to their use? Chapter 1.F.2.g.			
5.	Are volunteers used in Category B/C Activities or in positions governed by a position description? Chapter 1.F.13.			
6.	Is the unit following the provisions of the Coast Guard Housing Manual regarding safety and health-related issues? Chapter 1.F.18.			
7.	Are SOPs and unit instructions in place for activities using use/hold harmless agreements? Chapter 1.F.19.			
8.	Is there a proactive safety program established? Chapter 1.H.			
9.	Is the proper separation of duties considered in morale fund operations? Chapter 1.J.			
10.	Are personnel traveling under NAF orders are only reimbursed for expenses that would have been authorized with travel under APF orders? Chapter 1.M.			
11.	Are spectator admission fees charged to eligible members for admission to athletic events in which officially sponsored Coast Guard teams are participating? Chapter 1.N.			
12.	Are any gambling activities or fund raisers authorized at the unit? Chapter 1.P.			
13.	If so, are legal determinations and command actions on file? Chapter 1.P.			
14.	Has the CO designated the MWR Director/Officer in writing? Chapter 2.F.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
15.	Is the MWR Officer/Director aware of his/her responsibilities? Chapter 2.F.			
16.	Has the CO designated the Morale Fund Custodian in writing? Chapter 2.G.			
17.	Does the morale fund custodian have other duties involving the custody and disbursement of other cash funds? Chapter 2.G.			
18.	Has the morale fund custodian been absent on a temporary basis? Chapter 2.G.3			
19.	If so, did the CO properly designate another individual to act as the custodian? Chapter 2.G.3.			
20.	Is the prescribed procedure followed when the custodian of the morale fund is relieved? Chapter 2.G.4.			
21.	Is the morale committee designated in writing by the CO? Chapter 2.H.			
22.	Is there adequate representation of all personnel and commands on the morale committee? Chapter 2.H.			
23.	Does the morale committee submit reports to the CO through the MWR Officer? Chapter 2.H.			
24.	Are morale committee members paid for their services on the morale committee? Chapter 2.H.			
25.	Does the MWR Officer/Director restrict access to MWR activities based upon authorized patron listings? Chapter 3.			
26.	Are appropriated funds only used to support those programs authorized APF support? Chapter 5 and Appendix E.			
27.	Is the unit using NAF to fund Category A MWR Activities? Chapter 5.A.			
28.	Is the unit adhering to the motion picture industry's rating system to allow patrons to view motion pictures? Chapter 5.A.8.b.(5).(f)			
29.	Does the unit have approval from the CSC for the watercraft at the command? Chapter 5.B.8.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
30.	Does the unit have a current instruction for approved watercraft in its MWR program? Chapter 5.B.8.			
31.	Are members using MWR boats required to pass the Auxiliary safe boating course, an approved State course or one approved by the NASBLA? Chapter 5.B.8.a.			
32.	Are patrons using MWR boats required to pass a written and practical test conducted by a unit member with the competencies to administer on the boat's capabilities and the local boating area? Chapter 5.B.8.b.			
33.	Are the operating areas of MWR boats define in unit policies? Chapter 5.B.8.b			
34.	Has a Hold Harmless Agreement been executed for the use of MWR boats? Chapter 5.B.8.f.			
35.	Are patrons required to file a float plan with MWR at the unit? Chapter 5.B.8.g.			
36.	Are required morale boats registered in the State in which they operate? Chapter 5.B.8.i.			
37.	Does the unit have an instruction governing any ticket Reimbursement program? Chapter 5.B.10.			
38.	Does the unit have a youth center program? Chapter 5.B.13.			
39.	Are monthly fire inspections being conducted by a subject matter Expert? Chapter 5.B.13.a.			
40.	Are daily fire inspections performed by the staff? Chapter 5.B.13.b.			
41.	Are safety inspections by staff being conducted daily? Chapter 5.B.13.c.			
42.	Are monthly health inspections being conducted? Chapter 5.B.13.d.			
43.	Are first aid kits readily available? Chapter 5.B.13.e.			
44.	Are fire drills conducted monthly? Chapter 5.B.13.f.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
45.	Are any pets/animals checked are certified safe to be with youth? Chapter 5.B.13.g.			
46.	Are complete health histories available for all youth? Chapter 5.B.13.h.			
47.	Are two staff members on duty when the center is open? Chapter 5.B.13.i.			
48.	Are mixed gender chaperones being used for mixed gender trips and travel? Chapter 5.B.13.j.			
49.	Are youth with special needs being reasonable accommodated? Chapter 5.B.13.k.			
50.	Are vehicles used to transport youth being inspected, registered, and properly maintained? Chapter 5.B.13.l.			
51.	Are food products being handled, stored, transported, served, and stored per Coast Guard policies? Chapter 5.B.13.m.			
52.	Is at least one staff member while open trained in CPR and First Aid? Chapter 5.B.13.n.			
53.	Are injuries and suspected abuse reported immediately to the chain of command? Chapter 5.B.13.o.			
54.	Are fees being charged to recover the NAF costs associated with renting equipment procured with APF? Chapter 5.B.16.			
55.	Does the command have written approval from the CSC to operate Category C MWR Activities, Appendix I.H. Chapter 5.C. and Chapter 6.G.4.			
56.	Are bingo and Monte Carlo games being conducted in accordance with Chapter 5.C.13. of this Instruction?			
57.	Does the unit limit recreational lodging use to 30 days or less? Chapter 5.C.4.			
58.	Are campers equipped with fire extinguishers, smoke and carbon monoxide detectors, and are the manufacturer's operating manuals available? Chapter 5.C.18.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
59.	Does the command have COMDT (CG-721) approval for Any recreational weapons? Chapter 5.C.19			
60.	Does the unit have PCS or TAD lodging facilities? Chapter 5.C.3.			
61.	Does the unit allow mixed genders in houses diverted to MWR from the Housing Program? Chapter 5.C.3.a.			
62.	Does the unit have written authorization from the CSC to operate this lodging facility? Chapter 5.C.3.b.			
63.	Have any members of the command requested a sports grant? Chapter 5.D.4			
64.	Has the unit nominated a member for the Elite Athlete of the Year Program or the sports team of the year award? Chapter 5.D.5.			
65.	Is the chain of command approving any member's sports participation outside the AF Sports program and for charitable purposes? Chapter 5.F.			
66.	Is the command advertising its MWR Program, internally, externally, or both ?			
67.	Is the command following the requirements of Chapter 5.G of this Manual in regards to advertising and selling advertising space?			
68.	Does the command maintain a list of those that do not want MWR mailings? Chapter 5.G.2.e.			
69.	Has the command used the commercial sponsorship program?			
70.	Does the unit have a fulltime MWR Director Officer? Chapter 5.H.1.			
71.	Have the provisions of Chapter 5.H. of this Manual been adhered to?			
72.	Has an MWR annual budget been prepared for the current NAF Year? Chapter 6.A.1. and 2.			
73.	Is the CO made aware of any unbudgeted expenditures? Chapter 6.A.1.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
74.	Are budgets prepared for income statement and balance sheet accounts? Chapter 6.A.2.			
75.	Does the MWR fund maintain an acid ratio of at least 1:1? Chapter 6.A.2.			
76.	Does the morale fund have at least three pay periods of cash reserves to cover NAF personnel expenses? Chapter 6.A.2.			
77.	Has the commanding officer approved the annual budget and forwarded it to the cognizant authority/CSC? Chapter 6.A.3.			
78.	Did the command receive notification from the cognizant authority on the results of its desk audit? Chapter 6.A.3.a.			
79.	Is the unit adhering to the restrictions on the use of MWR funds as contained in Chapter 6.C. of this Manual?			
80.	Are fees and charges assessed lower than comparable commercial activities in the local community? Chapter 6.D.1.			
81.	Are all patrons charged the same fee for the equivalent level of participation or service? Chapter 6.D.2.			
82.	Does the command allow morale fund loans? Chapter 6.F.			
83.	Are morale funds held in financial institutions insured by the U.S. Government? Chapter 6.G.2.			
84.	Are successor of interest letters on file for all Morale Fund accounts? Chapter 6.G.2.			
85.	If the unit has Category C Activities, is there an updated recapitalization plan? Chapter 6.G.4.b.			
86.	Are Category C Activities generating annual net profits? Chapter 6.G.4.c.			
87.	Does the morale fund have an Employer Identification Number? Chapter 6.I.1.			
88.	Does the unit hire individuals not as employees? If so, is there a current copy of the Employer's Tax Guide, Pub 15, Circular E available? Chapter 6.I.2.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
89.	Are losses in the morale fund reported as required by Chapter 6.J. of this Manual?			
90.	Has the command accepted gifts within the past 12 months?			
91.	If so, are the provisions of Chapter 6.K. being strictly adhered to?			
92.	If the MWR fund borrowed funds, did it receive prior written approval from the CSC? Chapter 6.L.			
93.	Is the CSC reviewing all potential adverse NAF personnel actions? Chapter 7.B.2.			
94.	Does the command offer youth programs/services? Chapter 7.B.			
95.	If so, are there current Tier I, CNACI and SCHRC on file no greater than 5 years old? Chapter 7.B.4.			
96.	Was the CG and DoD Family Advocacy Central Registries and the National Sex Offender Public Website checked prior to hire? Chapter 7.B.4.b.			
97.	Is the command using volunteers in positions controlled by position descriptions? Chapter 7.B.5.			
98.	Are MFFS being submitted in time to the cognizant authority? Chapter 8.A.3.a.			
99.	Are files of morale fund checking account bank statements, canceled checks, deposit receipts, and check registers being maintained? Chapter 8.B.3.a.			
100.	Are bank accounts and checks carried in the full name of the unit? Chapter 8.B.3.b.(1).			
101.	Are cash payments authorized when no cash account exists? Chapter 8.B.3.b.(3).			
102.	Is the check register up to date? Chapter 8.B.3.b.(4).			
103.	Is the check register maintained in ink? Chapter 8.B.3.b.(4).			



No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
104.	Are timely deposits being made in accordance with Chapter 8.B.3.b.(5) of this Manual?			
105.	Are bank statements reconciled monthly? Chapter 8.B.3.b.(6).			
106.	Does the MWR fund participate in the Cash Management Program? Chapter 8.B.4.			
107.	Are there cash accounts, including petty cash? Chapter 8.B.5.a.			
108.	Are memos of authorization on file for all cash accounts from the cognizant authority? Chapter 8.B.5.c.			
109.	If a petty cash account exists, are records maintained similar to those of a check register? Chapter 8.B.5.c.			
110.	Are changes to cash accounts approved in writing by the cognizant authority? Chapter 8.B.5.d.			
111.	Are quarterly surprise audits conducted on cash accounts? Chapter 8.B.5.e.			
112.	Are 15% of annual net profits reserves for capital improvements? Chapter 8.6.a.			
113.	Is a separate accounts payable file maintained and is it aged? Chapter 8.B.7.			
114.	Is a separate accounts receivable file maintained and is it aged? Chapter 8.B.8.			
115.	Has a breakdown of Other Receipts/Income been submitted with any morale fund financial statement submission? Chapter 8.B.9.			
116.	Are property records maintained in accordance with Chapter 8.B.10.?			
117.	Is NAF MWR property being reported in Oracle FAM? Chapter 8.B.10.d.			
118.	Are MWR records being retained in accordance with Chapter 8.B.11. of this Manual?			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
119.	Has an audit board been established? Chapter 8.C.1.			
120.	Does the command hire NAF employees with Category B/C MWR Activities? Chapter 8.C.2.			
121.	Has this morale program been audited by a CPA? Chapter 8.C.2.			
122.	Has the MWR fund been audited within the last 12 months? Chapter 8.C.3.a.			
123.	Was Appendix C. completed in conjunction with the audit? Chapter 8.C.3.b.			
124.	Are resale inventories taken at least quarterly? Chapter 8.C.3.c.			
125.	Is the memo report to the CO on file fully explaining the audit scope, findings, and recommendations? Chapter 8.C.4.a.			
126.	Are audit reports with actions on findings and recommendations Forwarded to the cognizant authority 60 days after the audit? Chapter 8.C.4.a.			
127.	Were any irregularities identified and followed up on by the command in conjunction with this audit? Chapter 8.C.4.b.			
128.	Has an MWR User Survey been completed within the last three years? Chapter 8.D.1.b.			
129.	Have the results of the User Survey been briefed to the CO? Chapter 8.D.1.d.			
130.	Are commands ensuring that PII is protected when conducting surveys? Chapter 8.D.1.f.(5).			
131.	If the command makes MWR distributions to other commands, are they being made within two weeks of receipt? Chapter 9.C.2.			
132.	Does the unit have a written process to distribute MWR Funds throughout the AOR? Chapter 9.C.3.			
133.	Is resale merchandise being purchased only with nonappropriated funds? Chapter 10.A.1.c.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
134.	Are items purchased strictly for rental being procured with nonappropriated funds? Chapter 10.A.1.d.			
135.	Are memberships procured with APF used for rental purposes? Chapter 10.A.1.e.			
136.	Does the MWR Officer/Director have access to the Coast Guard Simplified Acquisition Handbook COMDTINSTM4200.13 (series)? Chapter 10.A.1.g.			
137.	Are debit cards used as a procurement tool? Chapter 10.A.2.d.			
138.	Is the MWR program engaged in any CGES activity as Defined in Appendix D. of this Manual? Chapter 10.B.1.a.			
139.	Is the MWR Fund allowing patrons to procure goods and service on credit? Chapter 10.B.1.b.(3).			
140.	Is the command writing PII on checks issued by patrons? Chapter 10.B.1.b.(4).			
141.	Does the command have authority from the CSC to accept payment cards/POS system? Chapter 10.B.1.b.(5).			
142.	If so, does the command have documentation to demonstrate that it is PCI/EMV compliant? Chapter 10.B.1.b.(5).			
143.	If the unit is conducting resale activities, including vending, does it have authority from the CSC in writing? Chapter 10.B.1.d. and Chapter 10.B.4.b.			
144.	Has the unit received any reports of the existence of hazardous resale merchandise? Chapter 10.B.2.			
145.	If so, was the report handled in accordance with Chapter 10.B.2.a. of this Manual?			
146.	Are MWR vending and game machines that contain items or give change greater than a dollar required to accept and dispense dollar coins? Chapter 10.B.5.			
147.	Are these machines appropriately marked? Chapter 10.B.5.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
148.	Are there any concession contracts managed by this MWR fund? Chapter 10.C.			
149.	Have concession contracts been reviewed by the SLO? Chapter 10.C.			
150.	Is APF property properly disposed of in accordance with Chapter 10.D.1. of this Manual?			
151.	Is NAF property properly disposed of in accordance with Chapter 10.D.2 of this Manual, including any sales?			
152.	Are bills of sale on file for any NAF property sold? Chapter 10.D.2.			
153.	Is NAF property, if sold, sold, “as is?” Chapter 10.D.2.			
154.	Is a complete inventory of all MWR vehicles maintained? Chapter 10.E.1.a.			
155.	Are MWR vehicles/trailers properly licensed? Chapter 10.E.4.a.(1).			
156.	Are construction and improvement projects coordinated through the unit FE and supporting CEU? Chapter 11.A.2.			
157.	Are MWR facility improvements/construction considered in the long term space plans of this command? Chapter 11.B.			
158.	Has the MWR program filed any insurance claims over the last 12 months? Chapter 12.			
159.	Have safety inspections been conducted annually using the USAT? Chapter 12.B.3.			
160.	Has the unit developed a quarterly safety inspections safety inspection program? Chapter 12.B.3.			
161.	Does the unit have a routine food safety and food handlers inspection program with command health services personnel? Chapter 12.B.4.			
162.	Does the command have any relationships with any private associations? Appendix B.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
163.	Has the operation of private associations been approved in writing? Appendix B. A.1.			
164.	Has the private association addressed, in writing, the items listed in Appendix B.A.2.c?			
165.	Does the MWR program maintain any aquatic facilities? Appendix G.			
166.	If lifeguards are not provided, is the CO's documentation on file certifying that the facility is being operated in strict compliance with all state and local statutes and regulations? Appendix G.B.1.			
167.	Is there a supporting legal opinion? Appendix G.B.1.			
168.	Has the command certification been updated within the last 12 months? Appendix G.B.1			
169.	Are admission fees assessed? Appendix G.C.1.			
170.	Are patrons required to sign in upon entering the pool area? Appendix G.C.1.			
171.	Do lifeguards have the proper certifications as required by Paragraph E of Appendix G. of this Manual? Appendix G.E.			
172.	Does the pool have a swimming area and diving area? Appendix G. F.1.			
173.	Is the swimming area and diving area separated by a buoy line fastened to each pool side? Appendix G.F.1			
174.	Are classes of patrons, as defined, allowed to swim free of charge during periods scheduled for physical fitness or lap swim? Appendix G.H.3.			
175.	Is the surface area greater than 5,000 square feet? Appendix G. I.1.			
176.	Are proper staffing ratios maintained? Appendix G. I.1. and K.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
177.	Does the unit have an in-service training program? Appendix G.M.1.			
178.	Is in-service training of aquatic staff Required? Appendix G.M.1.			
179.	Are local policies posted regarding the command's aquatic policies and facilities? Appendix G.O.			
180.	Does the unit have a copy of NAVMED P-5010-4 and COMDTINST M5100.47? Appendix G.P.1.			
181.	Is there a certified pool operator at the command? Appendix G.P.1.			
182.	Is the safety equipment required by Appendix G.R of this Manual readily available?			
183.	Are the pool markings, diving and swimming areas, diving boards, and lifeguard stands in compliance with Appendix G. of this Manual? Appendix G.P.3/4/5.			
184.	Are lifeguard and other supervisory personnel indoctrinated on chlorine gas leak procedures? Appendix G.P.11.			
185.	Are single drain suction line hazard concerns properly addressed? Appendix G.P.12.			
186.	Are spa returns and suction outlets properly covered? Appendix G.T.1.			
187.	Is potable water used to fill the spa? Appendix G.T.2			
188.	Does the spa filtration system turnover the water every 30 minutes? Appendix G.T.4.			
189.	Is the water temperature kept lower than 104 degrees Fahrenheit? Appendix G.T.5.a.			
190.	Is the spa disinfected at least weekly? Appendix G.T.5.b.			
191.	Is the spa drained at least monthly? Appendix G.T.6.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
192.	Are safety and operational signage posted? Appendix G.T.7.			
193.	Does the unit have a Navy Motion Picture Service account? Appendix H.			
194.	Has a movie officer been designated? Appendix H.C.			
195.	Is positive control of NMPS movies maintained? Appendix H.E.			
196.	Are movies being signed in/out? Appendix H.E.4.a.			
197.	Have there been any movie losses within the last three years? Appendix H.E.5.			
198.	Was the CSC informed of the loss? Appendix H.E.5.			
199.	Are movie inventories being properly conducted? Appendix H.F.1.			
200.	Does the command operate a food and beverage facility as part of its MWR program? Appendix I.			
201.	While open for business, does the food and beverage facility have at least one staff member certified in Serv Safe? Appendix I.B.			
202.	Has the command registered its Special Occupational Tax with the Alcohol and Tobacco Tax and Trade Bureau? Appendix I.C.1.			
203.	Has the activity generated a net profit for the previous two years? Appendix I.B.3.			
204.	Are employees allowed free or discounted product? Appendix I.B.4.			
205.	Is food available when the facility is open? Appendix I.C.4.			
206.	Is 25% of sales on an annual basis related to food? Appendix I.C.4.			

No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
207.	Are food, beverage, concession, and vending operations reported separately? Appendix I.C.4/5.			
208.	Does the command have written policies and procedures regarding the serving of alcoholic beverages? Appendix I.C.7.g.(1).			
209.	Is there documentation to support that employees serving alcoholic beverages have received certified training and the training is current? Has it been sent into CSC HR? Appendix I.C.7.g.(3).			
210.	Is local refresher training provided annually? Appendix I.C.7.g.(3).			
211.	Are tip jars prohibited? Appendix I.C.7.g.(12).			
212.	Are employee tips properly reported? Appendix I.C.7.g.(13).			
213.	Is free pouring allowed? Appendix I.D.1.a.			
214.	Are drink prices posted? Appendix I.D.1.c			
215.	Are receipts of goods for resale documented on a receiving log? Appendix I.D.1.f.			
216.	Are tobacco products sold? Appendix I.D.5.			
217.	Are physical inventories taken quarterly? Appendix I.E.2.a.			
218.	Are beverages, including beer taps, secure when not in use? Appendix I.F.1.			
219.	If scheduled, are functions being scheduled using pre-numbered contracts? Appendix I.G.2.			
220.	Are these contracts audited? Appendix I.G.2.			
221.	Are any deposits being recorded as liabilities and properly deposited? Appendix I.G.2.c.			



No.	MWR PROGRAM INSPECTION CHECKLIST	YES	NO	N/A
222.	Are food and bar operations reported and budgeted separately? Appendix I.B.3.			
223.	Is there a unit log being managed for the inventory and issuance of gift cards?			

**Appendix D. Sample Of CGX And MWR Activities**

**CGX ACTIVITIES**

Main Store  
Annex Store  
Convenience Store  
Auto Parts Store  
Food Store  
Gasoline Station  
Package Liquor Store  
Satellite Store  
Pro Shops (i.e., Golf and Bowling)  
Barber/Beauty Shop  
Auto Repair, Garage, Car Wash  
Laundry & Dry Cleaners  
Repair Shops  
Tailor  
Florist  
Optician  
Vending Operations  
Automated Teller Machines (ATMs)  
Nonofficial Telecommunications

**MWR ACTIVITIES**

Hobby Shops (auto, etc.)  
Vending Operations  
(Under certain conditions as per  
Chapter 10.B)  
Bowling Centers  
Golf Courses  
Swimming Pools  
Gymnasiums  
Sport/Athletic Programs  
Theaters  
Boating & Sailing  
Teen Clubs  
Game Rooms  
Camping, Hunting, & Fishing  
Gear Lockers  
Camper Rental  
Ticket Programs  
Dependent Activities  
Dances, Parties & Shows  
Libraries  
Lodging Facilities  
Recreational Lodging  
Magazines, Newspapers  
Child Development Centers  
Fitness Centers  
Food and Beverage Operations/Catering  
(Under certain conditions as  
detailed, specific guidance  
concerning food and  
beverage concessions  
contained in Chapter 10.C)  
Warfighter and Family Services Programs

**Appendix E. MWR Program APF Support Table Of Authorization**

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
<b>MWR Category: See Chapters 4 and 5 for clarification</b>			
1. <u>Military Personnel</u> . (See Note 1)	Y	Y	N
2. <u>Civilian Personnel</u>			
a. Permanent and/or Temporary Assignment			
(1) Command and Control	Y	Y	Y
(2) Managerial and Supervisory Functions	Y	Y	N
(3) Personnel directly involved in resale	N	N	N
(4) All other functions	Y	Y	N
b. Additional collateral MWR duties. Same as 2.a . above.			
3. <u>Travel of Personnel</u> .			
a. Permanent Change of Station. Same as 2.a. above.			
b. Temporary Additional Duty.			
(1) APF Employees and Military Members	Y	Y	Y
(2) NAF Employees regardless of position or MWR category when travel is directed by the CG and the travel is for a government purpose related directly to functions authorized APF support.	Y	Y	Y
(3) NAF employees on NAF business.	N	N	N
(4) International and national sports competition authorized by CG/DoD directives to include command supervision. (Does not prevent space available travel by participants in MWR athletic, recreation, and entertainment events programs).	Y	Y	N
c. Use of Vehicles. Includes motor pool-controlled vehicles.			

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
<b>MWR Category: See Chapters 4 and 5 for clarification</b>			
(1) To assist in command and control.	Y	Y	Y
(2) Other than assisting command and control. When not available, use of reimbursable lease allowed.	Y	Y	N
d. Household Goods. Applies to the authorized transportation of household goods for either:			
(1) APF Personnel.	Y	Y	Y
(2) NAF Personnel.	Y	Note 2	Note 2
4. <u>Transportation of Things.</u>			
a. APF Purchased Goods. Applies to transoceanic and inland transportation of U.S. or foreign goods.	Y	Y	Y
b. NAF Purchased Goods			
(1) Transoceanic U.S. and foreign goods. Applies to the movement of goods to and from Continental United States (CONUS) sea and aerial ports of debarkation to the first destination overseas (referred to as second destination charges) including Alaska, Hawaii, and to the first foreign destination (including Guam and overseas territories of the United States) for goods stocked and redistributed or procured from Alaska and Hawaii. Includes excess property.	Y	Y	Y
(2) Inland			
(a) Movement of U.S. and foreign goods in foreign areas where commercial transportation is not readily available and in combat zones. Includes the movement of goods to isolated locations.	Y	Y	Note 2
(b) Movement of U.S. goods within foreign countries from port of embarkation to first destination or bulk breakdown point. Includes the movement of goods to isolated location.	Y	Note 2	Note 2

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
<b>MWR Category: See Chapters 4 and 5 for clarification</b>			
(c) Movement of foreign goods within foreign countries from port of embarkation to first destination or bulk breakdown point.	Y	Y	Y
(d) Movement of U.S. goods between CG installations because of base closure, or to safeguard goods under emergency conditions, e.g., threats of hostile force or natural disaster.	Y	Y	Y
5. <u>Communications</u> . Applies to electronic communication (i.e. telephone, television, satellite, fax, modem, FTS, on-base telecommunication cable, and internet access).			
a. Command and control.	Y	Y	Y
b. All others. See Note 3.	Y	Y	N
6. <u>Utilities and Rents</u> .			
a. Utilities. Includes the cost of water, gas, electricity, and other utility services used by MWR programs.			
(1) CONUS Note 4	Y	Y	Y
(2) OCONUS	Y	Y	Y
b. Rents. Applies to the use or possession of non-CG lands, buildings, and other improvements and installed equipment for a specific period through contract, lease agreement, or other legal instrument when authority is granted through the chain of command. Note 5.	Y	Y	N
7. <u>Maintenance, repair to support MWR activity operations</u> .			
a. MWR Program Operations. Applies to that work required to be accomplished within a facility in support of the MWR program such as repair and maintenance of wall coverings, decorating, lighting, carpeting, theater, seats, etc.	Y	Y	Note 6
b. Equipment maintenance and repair.			
(1) APF	Y	Y	Y

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
<b>MWR Category: See Chapters 4 and 5 for clarification</b>			
(2) NAF	N	N	N
8. <u>Equipment</u> . Includes the acquisition cost of any item of equipment (TV, DVD, computers, Stereo, soda machine for shipboard use, pool table, etc.) furniture, or furnishings that may be described as General-Purpose Property.			
a. Command and Control.	Y	Y	Y
b. Related to resale.	N	N	N
c. Excess government equipment.	Y	Y	Y
d. Equipment purchased for the purpose of rental. See Note 7.	N	N	N
e. All other equipment.	Y	Y	N
9. <u>Investment Equipment</u> . Relates to the acquisition and use of equipment classified as investment items.	Y	Y	Note 8
10. <u>Supplies</u> . Applies to supply items that are expendable, consumed, or lose their identity, then used, or whose low value do not require the same accountability as required for equipment. Included in this group are clothing, uniforms, and recreational gear locker items, tentage, organizational tools, and administrative and housekeeping supplies, petroleum fuels, lubricants, preservative, coolants, oil derivatives (other than aircraft and boat petroleum, oil, and lubricants). See Note 9.			
a. Command and Control	Y	Y	Y
b. Related to resale.	N	N	N
c. Food supplies for meals served in child development and youth programs. See Note 15.	N	N	N
d. All other supplies.	Y	Y	N
11. <u>Merchandise and Service</u> . Pertains to merchandise and services procured by an MWR program for resale or giveaway (e.g. tickets).	N	N	N

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
<b>MWR Category: See Chapters 4 and 5 for clarification</b>			
12. <u>MWR Boat Petroleum, Oil, and Lubricants (POL)</u> . Applies to POL (including fuel additives) consumed by MWR boats operated in conjunction with the MWR program (does not include cost for travel of personnel).	N	N	N
13. <u>Services</u> .			
a. Education and Training. APF non-tuition courses may not charge for NAF employees attending.	Y	Y	Note 10
b. All Auditing and Accounting Services. Relates to the independent examination, review, and evaluation of the records, controls, practices, and procedures in the area of financial and operational management of MWR. Work done by DHS component audit organization or independent commercial audit for the Coast Guard.	Y	Y	Y
c. Data Automation. Applies to automation data processing system development or operation.			
(1) Command and Control	Y	Y	Y
(2) All others.	Y	Y	N
d. Legal Services. Service and assistance from military or civilian assigned legal counsel deemed appropriate by the Coast Guard. Includes internal civilian staff as integral element of MWR.	Y	Y	Y
e. Custodial and Janitorial Service. Applies to staffing, supplies, and equipment facilities engineer or contractor provides.	Y	Y	N
f. Grounds Maintenance. Applies to work required to maintain surrounding building grounds. Golf course must be NAF funded except ground surrounding immediate area of the club house.	Y	Y	Y
g. Professional services. Services such as sports officials, club entertainment, etc. See Note 11.	Y	N	N
h. Postal Services.			

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
<b>MWR Category: See Chapters 4 and 5 for clarification</b>			
(1) For official Coast Guard business for command and control needs. Includes MWR employment actions when approval of, or coordination with higher authority is required.	Y	Y	Y
(2) All other. (Note: Including unofficial mail pertaining to resale or club operations in envelopes or packages containing official mail, and for which postage is appropriated funded, is prohibited).	Y	Y	N
i. Printing and reproduction.			
(1) For official Coast Guard business, command and control requirements, and MWR administrative matters not related to the sale of merchandise or the collection of funds from such sales.	Y	Y	Y
(2) All other.	Y	Y	N
j. Other services. Services associated with protecting health and safety. Services commonly supplied and provided as a command function to all installation employees and organizations. Examples include fire protection, security, safety, rescue, pest control, snow removal, sewage, trash, and garbage removal, repair and cleanup of underground storage tank leaks, environmental compliance, vet and medical support, sanitation inspection, maintenance of common grounds	Y	Y	Y
14. <u>Construction.</u>			
a. Architectural and Engineering Services. Applies to services that include the necessary consultations, preparation of preliminary studies, analysis, cost estimates, working drawings, specifications, interior design and decoration, and the inspection and supervision services required for the construction, alteration, or repair of real property facilities.			



ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
<b>MWR Category: See Chapters 4 and 5 for clarification</b>			
(1) APF Construction.	Y	Y	Y
(2) NAF Construction. Applies for scheduled projects as approved by the Coast Guard provided no additional staffing authorization is required. See Note 12.	Y	Y	Y
b. Minor Construction. Applies to erecting, adding, expanding, altering, converting, replacing, or relocating an existing facility	Y	Y Note 13	Note 13
c. Major Construction. Applies to the erection or installation of new buildings or systems, additions, and conversion including major repair work.	Y	Y Note 13	Note 13
d. Facilities Maintenance. Refers to the day-to-day work required to preserve real property facilities and prevent premature failure or wearing out of system components (electrical, mechanical, heating and air conditioning, plumbing, roofing, foundations, doors, windows, etc) or damage to facility interior resulting from failure of a facility system or to meet health and safety requirements.	Y	Y	Y
e. Facilities Repair. Work that is required to restore a facility structure, components, and systems to its safe, effective, and economical support of assigned missions and organizations. If this repair work is done to support activities that are authorized to receive APF support, it may be funded with APFs.			
(1) APF owned and/or leased	Y	Y	Y
(2) NAF owned and/or leased	N	N	N
15. NAF Liability Program: Includes Insurance Premiums, Workers Compensation Payments and Liability Claims. See Note 14	Y	Y	N
16. Legal Services. Applies to the service and assistance provided by or, through respective Servicing Legal offices.	Y	Y	Y

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
MWR Category: See Chapters 4 and 5 for clarification	A	B	C
17. Procurement Office Assistance and Administration	Y	Y	Y

Note 1: Military personnel may be assigned when filling:

- (a) A position in Category A and B activities or management positions of Category C Activities when it has been determined by Commandant that assignment of military personnel is required to support wartime or contingency operations or is required for overseas or sea-shore rotation.
- (b) A command and control billet when the position cannot be filled effectively with a civilian employee.
- (c) A lifeguard position at a Category A or B swimming pool.
- (d) These restrictions are not intended to discourage officer and enlisted volunteers or NAF part-time or off-duty employment of enlisted personnel, where authorized.

Note 2: Initial APF is authorized only when NAF will reimburse.

Note 3: APF may be used to purchase basic and premium cable television services through either local cable companies or dish-type service providers, for general (not individual) viewing. Units shall be limited to the procurement of three premium-type services in addition to general or basic service. Any installation of equipment shall comply with any shipboard/shoreside equipment installation requirements. APF may be used to procure premium services that include such services as dedicated movie channels, channels of special interest, sports programming, and sports packages that provide access to all games within a season, or packages that provide expanded sports coverage beyond the basic level service. APF may not be used to procure other pay-for-view and special events. All procurements of these types of entertainment services and television programming shall be made in accordance with Coast Guard core values.

Note 4: Except utilities associated with golf courses except those designated as remote and isolated.

Note 5: No NAF leases of real property or non-portable buildings/facilities, or of additional spaces associated with currently leased facilities, are to be entered into without the prior express written approval of the CSC. This includes the rental of facilities such as bowling centers for the use of a military crew when no similar facility exists at the installation.

- Note 6: Those Category C facilities that have multi-purpose functions, may be authorized APF support for maintenance and repair.
- Note 7: Fees may be charged to recover the NAF costs associated with management and maintenance of APF-provided equipment and materials. APF may not be used to procure items to be rented to generate revenue in Category C Activities.
- Note 8: Investment equipment in support of food preparation equipment and the use of excess equipment is authorized. The use of APF to purchase this investment equipment is not authorized.
- Note 9: The use of APF for organizational clothing for the use of MWR personnel, actively involved in delivering recreational services, may be authorized. Authorization would be dependent upon the commanding officer's request (written or electronic) to Commandant (CG-1221) that this need is related to the safety and health concerns of his/her command, specifically addressing those safety and health concerns, and that the article of clothing shall be for the benefit of the government and essential to the safe and successful accomplishment of the work. All provisions of the Reference (t), and Reference (i), shall apply. All consumable supplies shall be purchased NAF unless directly related to curriculum lesson plan. All supplies related to party or celebration shall be purchased with NAF. Cost of forms of recognition (trophies, certifications, medals, etc.) acknowledging participation and or competition in Category A and B MWR contests or activities are authorized APF support. Additional guidance may be found in Reference (i).
- Note 10: APF may be used to fund NAF employee courses for training that is not job unique; examples include but are not limited to, ethics, management and/or leader development courses, quality training, health and safety, sexual harassment, etc.
- Note 11: NAF paid officials, or volunteers, may also be considered for obtaining these professional services. Should NAF be used to compensate officials, the amount of compensation should not exceed the normal fees for paid officials in the local area for the same level of service. Personnel officially assigned duties in the MWR program may not receive payment for activities within the program. This also includes the use of APF in Category A MWR Activities to procure the services of professional trainers for groups, aerobics instructors, and other fitness professionals, when the on board expertise required is not available.
- Note 12: No NAF construction for which the total project cost, i.e. including equipment, outfitting and furnishings, will exceed \$25,000 is to be conducted without the express approval of the CSC. All facility construction, repair, and replacement projects associated with MWR facilities funded with NAF shall be approved by the unit Facilities Engineer and servicing CEU, as appropriate. CDC repair and renovation shall be IAW with reference (h) and the Configuration Standard Technical Order (CSTO), Child Development Center (CDC), and SILC-CSTO-36-11 55 13 11-04.

- Note 13: APF may be used for all community facility construction related to the establishment, activation, or expansion (a major increase in authorized and assigned personnel strength in a short period of time, and such expansion shall be a result of a mission change, or influx of new units or systems) of a Coast Guard unit or relocation of facilities for convenience of the Government; replacement of facilities denied by country-to-country agreements; restoration of facilities destroyed by acts of God, fire, or terrorism; and to correct health and life system deficiencies such as sprinkler or fire alarm systems, environmental compliance, or removal of asbestos. For other instances, APF are not authorized for Category C Activities.
- Note 14: Activities and functions authorized APF should be supported with APF in the settlement of any potential liability or workers compensation claims. Additionally, NAF liability premiums for Category A and B MWR activities, activities of the Cadet Division, and activities of the Athletic Division of the Coast Guard Academy are authorized to be paid with APF. See Chapter 8 of reference (a) for further guidance.
- Note 15: Food Freight Costs are approved for APF support for CDCs located at Base Kodiak, Base San Juan, and Base Detachment Borinquen.

**Appendix F. Sample Morale Committee Report Format**

1710  
(Date)

From: Chairperson, Morale Committee

To: Commanding Officer

Thru: (1) MWR Officer/Director  
(2) Executive Officer

Subj: REPORT OF MORALE COMMITTEE MEETING

Ref: (a) Coast Guard Morale, Well-Being, and Recreation Manual,  
COMDTINST 1710.13 (series)

1. The Morale Committee met at (time) on (date). The following members were present:

- J. R. SMITH, ENS, USCG, Chairman
- E. R. BAINS, BMCS, USCG
- H. L. WILLIAMS, YN1, USCG
- R. A. HARDING, GS-7
- J. I. STARLING, CPOA Representative
- M. B. SMITH, CGX Manager

2. The MWR Officer/Director and the CGX Manager gave the following reports concerning MWR programs and funding and CGX specials, respectively:

3. The following recommendations concerning MWR activities are submitted for approval:

	Recommendation	Number Voting For / Against	Remarks
a.			
b.			
c.			

#

Appendices: (1) Meeting Agenda  
(2) Minutes of Morale Committee meeting

## **Appendix G. Aquatic Facilities And Swimming Pool Operations**

### **A. Aquatic Facilities.**

1. **Waterfront Area.** An aquatic facility that includes beaches, lakes, reservoirs, rivers, lagoons, or other bodies of water operated by the local MWR activity. Waterfront areas may have designated swimming, surfing, boating, or other water sport activity areas.
2. **Swimming Pool.** An aquatic facility that includes indoor or outdoor swimming pools on units or within Coast Guard housing areas. Swimming pools may provide designated areas and specialized equipment for swimming, diving, or water sliding.
3. **Wading Pool.** An aquatic facility that includes indoor or outdoor wading pools that may or may not be attached to, adjacent to, or enclosed with the main swimming pool. Wading pools have a maximum depth of 24 inches and are intended for use by infants, toddlers, and children five years of age and under.

### **B. Minimum Common Rules and Regulations for all Aquatic Facilities.**

1. In general, lifeguards are required at all Coast Guard aquatic facilities. Commanding officers with aquatic facilities may adopt a “no lifeguard/swim at your own risk” policy provided that they are in strict compliance with all state or local statutes or regulations addressing safety and lifeguard requirements. Commands adopting this Policy shall do so only after written advice and counsel of the SLO. Due to the dynamic nature of changes in this area, commanding officers shall each year certify in writing, and retain on file, certification that their lifeguard policy is in strict compliance with state and local statutes and regulations as determined by the SLO. Lifeguards may not be necessary when aquatic facilities are used solely for military training purposes, provided other sufficient precautions, as identified in this section, are provided and after consultation with the SLO and unit safety officials.
2. In some instances, it may not be necessary to provide lifeguards at beachfront or other natural waterfront areas provided strict compliance is maintained with all state or local statutes or regulations addressing safety and lifeguard requirements. Determinations regarding lifeguards at these swimming areas shall be considered on a case-by-case basis by the local commanding officer. Documentation supporting any decision not to provide lifeguards at these locations shall be kept on file and include the endorsements of the SLO and unit safety officials. Commanding officers shall make this determination annually. Units without this documentation can expect to have the facility closed until the facility is compliant.
3. Aquatic rules and regulations shall be posted at prominent locations throughout the aquatic facility/area.
4. Children under 10 years of age shall be accompanied by, and under the direct supervision of, an individual whose minimum age is 16 years. Children between the ages of 10 and 16, if left unattended, shall demonstrate the ability to swim a minimum of 25 yards.

5. Swimmers, divers, surfers, boaters, and water sport activity participants are required to remain in designated areas.
6. Glass in any form will not be permitted at the aquatic facility/area.
7. Patrons who appear to be under the influence of drugs or alcohol will not be allowed in or near the aquatic facility/area.
8. Socializing with an on duty lifeguard is not permitted.
9. Pets of any type are not allowed at the aquatic facility/area except for bona fide service animals.
10. The aquatic facility and the surrounding area will be cleared of all persons during squalls and thunderstorms for a period as determined by the lifeguard.
11. In the event of a rescue, the lifeguard will notify the emergency medical personnel, the Officer-of-the-Day, and the local MWR representative.
12. Aquatic facility/area employees are not responsible for lost or stolen possessions of patrons.
13. Climbing on the lifeguard stands or using lifesaving equipment for other than emergency use is strictly prohibited.
14. Swimming is not permitted when a lifeguard is not on duty, unless otherwise explicitly authorized.
15. Aquatic facility/area employees shall be obeyed at all times, and have the authority to suspend pool privileges for the day or portions of the day for individuals who repeatedly violate the rules or regulations. Continued violations may result in longer suspensions or loss of privileges.
16. The lifeguard or other command representative may close the facility for short periods of time without notice. Area will be cleared of all persons during thunderstorms, electrical storms, and inclement weather. At the first sound of thunder or sight of lightning, the area will be cleared and remain cleared until deemed safe (approximately 30 minutes after the last rumble of thunder or slighting sighting). One long blast on the whistle by the lifeguard is the emergency signal indicating that all persons in the water shall clear the swimming area immediately.

C. Minimum Rules and Regulations for Swimming Pools (includes Wading Pools).

1. Admission fees, if assessed, will be collected upon entering the swimming pool area by the cashier/pool attendant. If fees are assessed, all patrons are required to sign a daily log upon entering.
2. All swimmers shall shower before entering the pool.
3. Persons with colds, skin infections or open wounds are not permitted to enter the pool.

4. Contaminating the pool or walkway is prohibited. Children still in diapers shall be required to wear aquatic-type diapers to prevent the exchange of bodily fluids with the pool water.
5. Swimmers shall wear clean and appropriate swimwear. Cut-off jeans or pants are not authorized. Swimming with eyeglasses is permitted if they are safety glasses and properly secured with appropriate straps.
6. Neither eating nor drinking is permitted within a reasonable distance of the pool (Recommend 12 feet). A distinguishing mark will indicate the area beyond the pool where eating and drinking is permitted.
7. No smoking is permitted in indoor swimming pool areas. Smoking may be permitted in designated areas of outdoor pools that are clearly marked, where possible. Designated smoking areas shall comply with Coast Guard policies in regard to distances from building entrances and away from the immediate pool area.
8. Aquatic toys and equipment will not be permitted in the pool Appendix at anytime. Prohibited items include, but are not limited to, rafts, kick boards, inner tubes, scuba gear, swim fins, masks, water wings, balls, frisbees, inflatable objects, or other similar water play items. The use of these items is only authorized for organized programs or classes. Kick boards and other items of equipment used for lap swimming are authorized. The use of U.S. Coast Guard approved personal floatation devices are authorized anytime.
9. Portable radios, televisions, or music devices (except small devices equipped with headphones) will not be permitted by patrons in the pool Appendix at anytime.
10. Running, pushing, dunking, or excessive splashing is strictly prohibited. Loud, boisterous, or unruly conduct or behavior will not be permitted.
11. The number of persons in the pool Appendix at anytime will not exceed maximum pool capacity. The number of persons in the pool of an indoor facility at anytime will not exceed the maximum pool capacity.
12. All diving will be a forward jump, i.e., a forward dive straight off the diving board. One person at a time will use the board and will be limited to one bounce before entering the water. For the safety of all patrons, back dives and dives with flips, rotations, stunts, maneuvers, or tricks should be prohibited, unless supervised by a qualified diving coach.

D. Minimum Rules and Regulations for Waterfront Areas.

1. Swimming is not permitted after dark.
2. Scuba gear is not permitted in the swimming area.
3. Fishing is not permitted in or near the swimming area.
4. Signs shall be posted to warn patrons of shallow water, riptides, beach closure, and other hazardous conditions.



5. Beaching of watercraft is prohibited.
  6. Surfing and Skim Board shall be confined to designated areas only.
- E. Certification Organization Equivalents. Equivalent Certification recognizes and allows for the acceptance of certifications from the following recognized organizations. Certifications not listed below require approval from the CSC.

LIFEGUARD

1. American Red Cross Lifeguard Training
2. American Red Cross Lifeguard Training Instructor
3. YMCA Lifeguard Training
4. YMCA Lifeguard Training Instructor
5. YMCA Aquatics Instructor Trainer
6. U.S. Coast Guard Aviation Survival Technician Class A School
7. U.S. Navy Rescue Swimmer School (Aviation)
8. U.S. Navy Rescue Swimmer School (Surface)
9. U.S. Navy Rescue Swimmer Instructor
10. U.S. Navy Basic Underwater Dive School
11. Naval Aviation Water Survival Training Program

SWIMMING INSTRUCTOR

1. American Red Cross Water Safety Instructor
2. American Red Cross Water Safety Instructor Trainer
3. American Red Cross Lifeguard Training Instructor
4. YMCA Progressive Swimming Instructor
5. YMCA Skipper Swimming Instructor
6. YMCA Lifeguard Training Instructor
7. YMCA Water Exercise Instructor

8. YMCA Aquatics for Special Populations Instructor
9. YMCA Synchronized Swimming Instructor
10. YMCA Arthritis Foundation Aquatic Program Instructor
11. U.S. Coast Guard Rescue Swimmer Instructor
12. U.S. Navy Rescue Swimmer Instructor

F. Program Operation. Aquatic programs should offer patrons the opportunity to engage in a variety of recreation activities based on two participant's abilities and interests.

1. Swimming Zones. The swimmers' zone (that area of the swimming pool or wading zone where the depth of the water is greater than 5 feet) and diving zone (that area of the swimming pool where the depth of the water is greater than 9 feet) of the swimming pool shall be separated by a buoy line tightly fastened to each side of the pool.
2. Wading Pool. The wading pool and surrounding area are supervised by aquatic staff members. However, a wading pool does not require a lifeguard stand, or a staff member to be physically stationed at the wading pool perimeter. The direct supervision of the child shall be maintained by the parent, sponsor, or the individual responsible for the child. This individual SHALL remain in constant and direct supervision of the child while using the wading pool.

G. Funding.

1. MWR aquatics' facilities are operated as Category B MWR programs.
2. Aquatic training facilities are operated as Category A MWR programs. The use of APF is authorized up to 100 percent of total program cost.

H. Admission Fees. The commanding officer will approve the fees and charges to be assessed to program participants for recreational aquatic facilities.

1. The daily fee should be valid for admission throughout the day at the facility.
2. All patrons who enter the facility, regardless of purpose, e.g., swimming, sunbathing, child supervision, should be assessed the daily admission fee.
3. Active duty and reserve members and their dependents, cadets from Service academies, other uniform services members and retirees and their dependents will be permitted free admission to MWR Category A fitness pools and MWR Category B recreational pools during periods scheduled for physical fitness or lap swimming.
4. The use of weekly, monthly, seasonal, or yearly facility admission passes are authorized for aquatic facilities. These passes should provide a discounted fee for use over an extended period (when compared to daily admission fees). The fee structure can also include separate rates for individuals (one person) and families (sponsor and family members).

## I. Staffing.

1. During Regular Hours of Operation. When provided, a minimum of two certified lifeguards are required to be on duty at the pool. However, a minimum of one staff member should be assigned to, and stationed at each non-swimmers zone, swimmer's zone, diving zone, and the perimeter of the swimming pool or waterfront area. For small rectangular pools with a surface area of less than 5,000 square feet and without a diving zone, one lifeguard may be assigned for both non-swimmers' and swimmers' zones (according to patron/staff ratios). Special circumstances (e.g. few patrons) may warrant a waiver to the above policy. Waiver requests may be forwarded to the CSC via the chain of command.
2. Outside Regular Hours of Operation. For aquatic programs conducted in addition to the regular hours of operation (e.g., lap swim hours, aquatic fitness classes, swimming or water safety instruction), one staff member is required to be on duty at the pool perimeter (according to patron/staff ratios). Staff members with proper qualifications/certifications should be assigned and limited to the appropriate areas of responsibility as outlined below.

## J. Staff Qualifications.

1. Lifeguard. A staff member who possesses the required certification to provide lifesaving and rescue skills. Lifeguard certification qualifies the staff member to be assigned the supervisory responsibility of all areas of the aquatic facility.
2. Water Safety Aide. A staff member who possesses certification to perform elementary forms of non-swimming rescues, perform cardiopulmonary resuscitation (CPR), first aid, enforce water safety rules and regulations, and implement accident and emergency procedures. Water safety aide certification qualifies the staff member to be assigned the supervisory responsibility of all areas of the swimming pool or waterfront areas excluding the swimmers' zone and the diving zone.
3. Non-Certified Water Safety Assistant. A non-certified staff member who possesses the knowledge and ability to perform elementary forms of non-swimming rescues, enforce water safety regulations, assist with accident and emergency procedures, and provide routine aquatic supervision. The non-certified water safety assistant may assist the lifeguard or water safety aide, and shall be under the direct supervision of a lifeguard or water safety aide at all times.
4. Swimming Instructor. A staff member who possesses the required certification to instruct swimming, aquatic fitness, lifesaving, or rescue skills and techniques. Swimming instructor certification qualifies the staff member to instruct swimming, fitness, or water safety classes conducted at the aquatic facility.
5. Non-Certified Instructional Assistant. A non-certified staff member who possesses the knowledge and ability to instruct swimming, aquatic fitness, lifesaving or rescue skills and techniques. Non-certified instructional assistants may assist the swimming instructor with swimming, aquatic fitness, or lifesaving or rescue classes, and shall be under the direct supervision of a swimming instructor at all times.

- K. Staff/Patron Ratio. The ratio of certified staff members to patrons shall be maintained to allow constant supervision of patrons while in the aquatic facility. This preserves a safe environment and allows for an effective and efficient response to an emergency.
1. One certified staff member is required for every 50 patrons. However, the only certified staff members that may be counted in the staff/patron ratio are lifeguards and water safety aides.
  2. Non-certified water safety assistants, swimming instructors, and non-certified instructional aides may not be counted in the staff/patron ratio, but may assist the lifeguard or water safety aide with the number of assigned patrons.
  3. Staff members who perform other duties or services (e.g., cashier, maintenance, etc.) may not be counted in the staff/patron ratio.
  4. The ratio of certified staff members to patrons should be increased to compensate for extenuating circumstances. Such extenuating circumstances may include conditions of the environment (e.g., surf, currents, platforms or structures, activities, etc.), or the skill or ability levels of patrons (e.g., small children).
- L. Staff Qualifications.
1. Lifeguard. Possess current certification from a recognized organization as described in Paragraph E., above.
  2. Water Safety Aide. Possess current certification from a recognized organization as described in Paragraph J., above.
- M. Training Program. Lifeguards shall have certification from a recognized organization that provides an instructional qualification program in lifesaving and rescue skills. Paragraph E. above provides a list of equivalent certifications from recognized organizations. The MWR Director/Officer shall retain a file of the current certification for each lifeguard.
1. In-service staff training is required for all aquatic personnel. This training program is implemented for staff members to periodically review and have a thorough understanding of operating policies and procedures, emergency procedures, and rescue methods and techniques. The training program will allow staff members to maintain appropriate physical conditioning to perform the duties of the position. Staff members shall receive an orientation to include:
    - a. Facility operating policies and procedures.
    - b. Appropriate uniform/attire.
    - c. Appropriate behavior/conduct.
    - d. Program and activity policies and procedures.
    - e. Health and sanitation rules and regulations.

- f. Safety rules and regulations.
  - g. Emergency procedures.
  - h. Medical emergency procedures.
  - i. Rule violation/disciplinary procedures.
  - j. Accident/incident reporting procedures.
2. In addition to in-service training, the use of professional aquatic organization/association training programs is encouraged.

N. Personnel Health Requirements.

1. Staff members shall be in good physical and mental health and free from communicable disease.
2. Staff members will maintain a high degree of personal cleanliness and level of physical fitness.
3. Staff members should not be required to provide lifeguard services for more than 50 minutes of each hour before taking a 10-minute break.

O. Local Policies.

1. Local operating instructions about aquatic programs and facilities shall be developed and prominently posted for the information of both employees and patrons to govern the following areas:
  - a. Program management responsibilities.
  - b. Authorized patrons.
  - c. Lifeguard duties and responsibilities.
  - d. Hours of operation.
  - e. Program areas and objectives.
  - f. Fees and charges.
  - g. Rules and regulations, accident/incident reports.
  - h. Emergency procedures.
  - i. Operational boundaries.
  - j. Signs posted in clear view of there is a no lifeguard policy in effect.

2. Appropriate forms should be developed to regulate and facilitate operational procedures. These include daily sign-in forms, facility attendance reports, program participation reports, safety equipment checklists, facility inspection checklists, accident/incident reports, and discipline/behavior reports.
3. The facility hours of operation and program schedule should allow for maximum use and participation by eligible patrons.

P. Swimming Pool Facility Safety Requirements.

1. Water Quality. Pool water will be free of suspended matter and sufficiently clear to see the pool sides and a four inch black disk resting on the bottom of the deepest section of the pool. If the disk cannot be clearly seen, the pool will be closed until the water is cleared. Chemical balance and water quality are achieved and maintained with filtration systems and proper balance of chemical additives. Guidance on the criteria and requirements of water quality, recirculation systems, and water treatment are provided in Reference (c) and Reference (u). Any command with an aquatic facility shall have at least one staff member, or contractor certified from an appropriate source in maintaining water quality and in water treatment.
2. Pool Capacity. Safe capacity of the swimming pool facility will be calculated based on water surface area. The capacity of rectangular and "L" shaped pools will be calculated by adding the total capacity of the non-swimmers, the swimmers, and the diving zones. The calculations should be computed based on the following criteria:
  - a. Non-swimmers' Zone. Count one patron for every 15 square feet of water surface area.
  - b. Swimmers' or Intermediate Zone. Count one patron for every 20 square feet of water surface area.
  - c. Wading Pool. Count one patron for every eight square feet of water surface area.
  - d. Diving Zone. Count one patron for every 175 square feet of water surface area.
3. Markings.
  - a. Variations in pool depth of one foot will be marked on the pool deck. For indoor pools, depth markings may also be located on the adjacent walls. For outdoor pools, depth markings may also be mounted on the perimeter fence at the edge of the deck.
  - b. Painted or colored tile swimming lane markings should be provided on the bottom of the pool.
  - c. The main drain should be clearly marked by painting the grate a conspicuous color or by laying colored tile around the drain perimeter.
  - d. Back stroke flags shall be hung at both sides of the pool giving swimmers enough warning of the approaching wall.

4. Diving Boards and Areas.

- a. Standard diving "spring" boards will be 14 to 16 feet long and 1.67 feet (500mm) wide. They will be factory- fabricated aluminum or fiberglass with a non-slip surface. The standard distances for mounting the board are 1.6 feet (500mm), 3.3feet (1m) or 9.8 feet (3m) above the water. Each diving board will have a lockable fulcrum adjustable over a distance of 10 to 12 inches. The base section of each board will extend at least 5 feet beyond the pool wall for 14 foot boards and 6 feet for 16 foot boards.
- b. Diving stands for diving boards will be factory- fabricated. Anchorage will be according to manufacturers' recommendations. Only sloped steps with handrails will be permitted to the diving boards. Steps may be located either at the end or side of the board depending on deck space available. Handrails shall be provided for all steps and ladders leading to diving boards more than 3.3 feet (1m) above the water. Diving stands 3.3 feet (1m) or higher should be protected with dual- guardrails. The top guardrail will be a minimum of 2.5 feet above the diving board and extend to a minimum of 1 foot beyond the pool wall.
- c. Measured from the diving board centerline, the minimum distance between the diving board and the nearest parallel pool wall will be 12 feet. The minimum distance between each diving board or water slide should be 12 feet (measured from the diving board or water slide centerlines). Existing diving boards will be waived until renovated or replaced with new construction.
- d. The number of boards permitted within the area dimensions of the diving zone are as follows:
  - (1) 1 board = 45 feet x 24 feet
  - (2) 2 boards = 45 feet x 36 feet
  - (3) 3 boards = 45 feet x 48 feet
- e. The relationship of the depth of water under the diving board to the length of the diving zone will conform to the following safety standards:

<u>Elevation of Diving Board Above Water</u>	<u>Minimum Depth of Water Under End</u>	<u>Minimum Length of the Diving Well of Board</u>
1.6 feet (500mm)	9 feet	25 feet
3.3 feet (1m)	10 feet	35 feet

- f. The relationship of the diving board to the pool walls, facility ceiling, water depth, and length of the diving zone will conform to the following safety standards:

<u>Diving Board Elevation Above the Water</u>	<u>1 Meter</u>	<u>3 Meter</u>
From plummet back to pool wall	8 feet	8 feet
From plummet to pool wall at side	10 feet	12 feet
From plummet to adjacent plummet	8 feet	8 feet
From plummet to pool wall ahead	29 feet	34 feet
On plummet, from board to ceiling overhead	18 feet	18 feet
Clear overhead, behind and each side of plummet	8 feet	8 feet
Clear overhead ahead of plummet	18 feet	18 feet
Depth of water at plummet	12 feet	13 feet
Distance of depth of water ahead of plummet	20 feet	20 feet
Distance and depth of water each side of plummet	8 feet	10 feet

- g. Diving platforms with a height of greater than 5 meters are not authorized for recreational swimming pools.

#### 5. Lifeguard Stands.

- a. Lifeguard stands should be factory manufactured and may be fixed or movable. Depending on the space available, the slope steps may be located at the rear or the side of the support stand.
- b. To minimize how much time the lifeguard may be subject to direct sun or glare, the lifeguard stand for outdoor pools should be located so the sun is at the back of the lifeguard or across the field of vision. The placement of the lifeguard stand should allow the lifeguard a field of vision not to exceed 180 degrees.
- c. A minimum of one lifeguard stand is required for each swimmers' zone and diving zone. When swimmer capacity demands additional lifeguards within these areas and within the non-swimmers' zone, a stationary or perimeter patrol lifeguard post may be created.

#### 6. Pool Accessories.

- a. Portable equipment will be stored and secured in a storage room when not in use.
- b. Inserts and anchors will be installed in the pool deck according to manufacturers' recommendations. Stanchions and stanchion sockets for supporting backstroke lines, finish lines, recall lines, and splash curtains should be stainless steel with a top closure plug fitted flush with the pool deck when not in use.



- c. No obstructions will project from the pool wall. Lane line anchor hardware will be located in the back wall of the gutter, recessed pool wall, or recessed in interior gutter curbs.
7. Water Slides. Water slides are permitted in swimming pools where the water depth is five feet or greater. Water slides may be located in the swimming or diving zones. When in the diving zone, the distance between the water slide and a diving board will be 12 feet from the center line of the diving board to the center line of the water slide.
8. Pool Appendix.
  - a. For indoor pools, incorporating sound absorbing materials on wall and ceiling surfaces should be considered to control both echoes and sound reverberation.
  - b. A fence or wall a minimum of six feet high is required to enclose an outdoor swimming pool.
  - c. When perimeter access is necessary, a standard width gate for patrons and personnel entry/exit will be provided in the perimeter fence. These gates will be locked to secure the facility.
  - d. Three- foot wide gates and larger service gates should be provided to allow equipment/vehicle access and reasonable handicapped accessibility, to enclosed patios, grassed areas, activity areas, or playgrounds. These gates will be locked when not in use.
  - e. Wading pools should be separated from the main swimming pool by a four-foot high fence even if the wading pool shares a common deck with the main pool. A four- feet high fence will separate the pool deck area from grassed areas, activity areas, or playground areas.
  - f. Nonferrous metal or stainless steel ladders with above deck mounted grab rails on both sides will be installed to provide for safe entry and exit from the pool. A minimum of one ladder should be provided on each side of the pool in the diving zone. A minimum of one ladder should be provided in the non-swimmers' zone and swimmers' zone to allow ingress and egress. Additional ladders should be provided at least every 75 feet of pool perimeter. Ladder treads should have non- slip top surfaces. A clearance with a minimum of three inches and maximum of six inches between the ladder and the pool wall is required. Safe entry and exit from the pool may be provided by steps built or cast into the pool wall.
  - g. The pool deck will be of a non-slip surface and free from irregular surfaces and fittings along accessible routes.
9. Bathhouse.
  - a. The main traffic pattern should allow easy access to the entry of the bathhouse. A control counter controls the circulation of patrons among all areas of the building. Patrons shall enter and exit through a control counter in or near the bathhouse. The control counter provides supervision of activities in the bathhouse or on the pool deck.

Entrances and exits to the pool from the bathhouse will be planned to introduce the patrons to the pool only at the shallow end.

- b. The bathhouse should give patrons dressing areas, clothing storage facilities, benches, toilets, and showers.
- c. Floor surfaces throughout the bathhouse (excluding utility areas such as mechanical equipment and storage rooms) should be of non-slip and impervious material. Concrete floors may be permitted if they are troweled or broom-finished (slip resistant), embossed printed, tinted, or epoxy-coated.
- d. The bathhouse should be provided with natural and/or mechanical ventilation to reduce excessive heat and dampness. The walls, ceiling, and floors should be of waterproof and vapor-resistant materials. Hot and cold showers and soap dispensers are required. An adjustable temperature control should be provided (temperature should not exceed 100 degrees Fahrenheit). Lavatories with soap dispensers and paper towels or drying devices should be provided.
- e. Glass mirrors or glass objects are not permitted in the bathhouse. Stainless steel mirrors are permitted over counters and against walls.
- f. The use of lockers or baskets to meet the clothing storage requirements is recommended. Lockers or baskets may be by coin operated lock systems, facility issued tag numbers, facility issued keys or padlocks, or patron-furnished padlocks. Lockers should be well ventilated, set on a closed base, and securely anchored to the floor and wall.

#### 10. Communications.

- a. Time and competition clocks should be displayed and visible for general information and competitive use.
- b. A public address system is recommended for paging and public announcements. Speakers should be provided in the pool Appendix and in the locker/dressing area. At a minimum, lifeguard stands should include a method of intercommunication with the pool patrons, staff members, the control desk, and the MWR officer/director's office.
- c. A minimum of one telephone or equivalent form of communication is required at the control desk, bathhouse, or lifeguard stand for emergency and business use.

11. Chlorine. Chlorine gas storage areas should have an automatic chlorine gas detection alarm system and a suitable warning sign posted. Lifeguards and other supervisory personnel will receive indoctrination in the proper procedures to follow in case of a chlorine gas leak. Only properly trained and equipped emergency personnel will attempt to stop a chlorine gas leak. A sign should be posted in the vicinity of stored gaseous chlorine that reads: "If there is a chlorine gas leak, immediately evacuate the area and move upwind from the leak."

12. Single Drain Suction Line Hazard. Because potentially severe entrapment hazard exists with a single drain suction line and missing loose or damaged drain covers, swimming pool and hot tub activities shall be suspended until repairs are completed. The master cut-off shall be

labeled and accessible to lifeguard and staff personnel. Additionally, any pool or spa with a single main drain other than an unblockable drain shall be equipped, at a minimum, with one or more of the following devices or systems designed to prevent entrapment:

- a. Safety vacuum release system.
- b. Suction-limiting vent system.
- c. Gravity drainage system.
- d. Automatic pump shut-off system.
- e. Drain disablement.
- f. Any other system determined by the Consumer Product Safety Commission to be equally effective as, or better than, any of the above safety devices.
- g. All drain systems shall be contain anti-entrapment covers or devices in compliance with 15 USC § 8001, Virginia Graeme Baker Pool and Spa Safety Act.

13. It is recommended that pre-season inspections of the aquatic facility be made within a week of the opening date for the facility by facilities engineering, medical, safety, and MWR personnel.

Q. Waterfront Area Safety Requirements. Criteria and requirements for existing waterfront areas include the following:

1. Lifeguard stands.
  - a. Waterfront areas should have a minimum of one lifeguard stand every 200 linear feet of designated waterfront.
  - b. Lifeguard supervision patterns will overlap a minimum of 15 to 20 percent.
2. Markings. Anchored buoys should be provided at waterfront areas to designate the swimming perimeter. Drop-offs, underwater hazards, and wading areas should also be designated.
3. Fixed or Floatable Diving Platforms.
  - a. Diving platforms should be constructed with 12 inches of visible airspace from the surface of the water to the bottom of the structure. All underwater construction should be kept to a minimum and designed to prevent entrapment of swimmers. Diving platforms or diving devices should not be constructed at heights greater than 9.8 feet (3m) above the water surface. Water in which diving platforms may be located:

Platform Type

Water Depth for a Distance of  
12 feet in all Directions

Platforms 1.6 feet (500mm)  
Above the Water Surface

9 feet

Platforms 3.3 feet (1m)  
Above the Water Surface

10 feet

Platforms 9.8 feet (3m)  
Above the Water Surface

12 feet

R. Aquatic Safety Equipment and Requirements. Patrons who participate in aquatic activities or programs accept the responsibility of evaluating their own swimming skill levels and abilities, determining their physical limitations, and remaining in the swimming pool or waterfront area that is commensurate with their ability. The lifeguard may assign or restrict swimmers and non-swimmers to an area, activity or facility depending upon the swimmers' or non-swimmers' swimming skill levels. The following table lists required aquatic facility safety equipment:

<b>Required Aquatic Facility Safety Equipment</b>			
<b>General Safety Equipment</b>	<b>Lifesaving Equipment for Swimming Pools</b>	<b>Lifesaving Equipment for Waterfront Areas</b>	<b>First Aid Equipment</b>
Megaphone	Ring buoy with attached lifeline at every lifeguard stand	Ring buoy with attached lifeline at every lifeguard stand	First Aid Equipment
Whistle	Rescue tube at every lifeguard stand	Rescue tube at every lifeguard stand	Factory manufactured marine backboard with straps and head immobilizer
Shade Umbrella	Rescue pole at every lifeguard stand	Rescue pole at every lifeguard stand	Cot
Sunglasses (Recommended)		Masks, fins, and snorkel	Blanket
Visor or Cap (Recommended)		Heaving Line	Pillow
Sunscreen (Recommended)			
Drinking Water (Recommended)			

Telephone and/ or Two-Way Radio			
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S. Hyperventilation and Breath Holding.

1. Hyperventilation and breath-holding for an extended period are extremely dangerous practices which can cause "shallow water blackouts" and death.
2. Carbon Dioxide (CO<sub>2</sub>) is the brain's stimulus for breathing. When CO<sub>2</sub> builds up to a certain level, it signals the brain that it is time to breathe. By lowering the amount of CO<sub>2</sub> in the blood, the body is fooled into believing it does not need to breathe although the oxygen level is going down. The danger is the level of CO<sub>2</sub> may fall so low that it is insufficient to signal the person to take another breath before losing consciousness from lack of oxygen and drowning.
3. The likelihood of such a tragedy is compounded by exercising strenuously, hyperventilating, and breath- holding under water. Exercise increases oxygen consumption and causes oxygen stores to be depleted faster than usual while breath- holding. This can speed up the onset of hypoxia and loss of consciousness. Victims are often found with no water in their lungs.
4. The practice of hyperventilating and extended breath- holding is prohibited at MWR aquatic facilities.
5. Aquatic staff members will be thoroughly briefed on the risks associated with hyperventilation and breath holding and maintain vigilance to prohibit this practice.

T. Public Spas and Hot Tubs.

1. Return Inlets and Suction Outlets.
  - a. Return inlet(s) and suction outlets shall be provided and arranged to produce circulation throughout the spa.
  - b. Spa suction outlets shall be provided with a cover tested and accepted by a nationally recognized testing laboratory and comply with ANSI/ASME A112.19.8M 1996, Suction Fittings for Use in Swimming Pools, Wading Pools, Spas, Hot Tubs, and Whirlpool Bathtub Appliances. See Paragraph P.12, above.
  - c. If the suction outlet system is a vacuum cleaner system which has a single suction outlet or multiple suction outlets which can be isolated by valves, then each suction outlet shall protect against entrapment by either an anti-vortex cover or other means.
  - d. A minimum of two suction outlets shall be provided for each pump suction outlet system, separated by a minimum of 3 feet or located on two different planes. These suction outlets shall be plumbed such that water is drawn through them simultaneously through a common line to the pump.

- e. Where provided, the vacuum or pressure cleaner fittings shall be located in an accessible position (s) at least 6 inches and not greater than 18 inches below the minimum operating water level or as an attachment to any skimmer.
2. Water Supply. The water for use in hot tubs shall be obtained from potable water sources. To avoid cross-connection, the water supply line shall have an air gap or backflow preventer. Overflow water should be returned to the filter system or discharged to an approved waste water system. Where overflow is discharged to a sewer, an air gap shall be provided above possible flood and sewer backup levels.
3. Sanitary Facilities. Sanitary facilities should be provided for use by hot tub patrons. A thorough shower is required prior to use of the hot tub.
4. Filtration. The filtration system used shall be capable of complete water turnover in 30 minutes. The proper water level shall be maintained at all times by filling or draining the hot tub according to the manufacturer's instructions.
5. Water Quality.
  - a. Temperature. The maximum temperature is 104 degrees Fahrenheit. A temperature of 100 degrees Fahrenheit is considered safe and comfortable for a healthy adult. Soaking time at 102 degrees Fahrenheit shall be limited to 20 minutes and 10 minutes at 104 degrees Fahrenheit. Temperature adjustments should be limited to staff members only.
  - b. Disinfection. At least weekly, the hot tub water shall be superchlorinated to 10 ppm for 10 hours. The chlorine level shall drop to 3 ppm before use. Water chemistry for hot tubs shall be tested hourly during use. Free residual chlorine shall be in the range of 1-3 ppm with an optimum of 1.5 ppm. The pH range shall be 7.2-7.8 with an optimum reading of 7.5. Weekly checks shall ensure that total alkalinity is between 60-200 ppm with an optimum of 100 ppm.
6. Cleaning. Hot tub water shall be drained at least monthly. The sides, bottom, deck, and railings should be scrubbed with a 50 ppm chlorine solution. A thorough draining and cleaning will be necessary if patrons report any skin rash while using the hot tub. Decks and rails shall be kept clean and algae free by brushing with a 50 ppm chlorine solution as needed.
7. General Safety.
  - a. Signs which state safety, emergency, and operational aspects of the spa shall be prominently located in the immediate vicinity of the spa, stating the spa's location, the location of the nearest telephone with references that emergency telephone numbers are posted at the location. Those emergency telephone numbers should include the name and telephone number of the nearest available police station, fire ambulance service, and/or rescue unit, and/or "911" services, if available.
  - b. Safety signs shall also include but not be limited to information on risk of fetal damage; medical considerations/precautions; risk of drowning; risk of child drowning and that the use by unsupervised children is prohibited; risk of shock; and the risk of injury.

- c. Operational signs shall include information on the prohibition of use if suction fittings are missing or broken; checking the water temperature before use and the prohibition of use if the water temperature is above 104 degrees Fahrenheit; the prohibition of having breakable objects in the spa area; the prohibition for use during severe weather; prohibition of breakable objects in the hot tub area; and the requirement to restrict the spa area from unauthorized access.

## Appendix H. Navy Motion Picture Service

This Appendix prescribes Coast Guard policy for participation in the Navy Motion Picture Service (NMPS). It applies to all units participating in the NMPS Program.

- A. Discussion. The Navy Motion Picture Service has been in existence since 1928. As technology advances, so does the media in which the NMPS program is delivered to the fleet. In 2020, the NMPS program advanced from encrypted DVDs (NDVD) to the next generation of encrypted solid-state players (SSPs) and delivers movies digitally through SD card technology. The technological improvements are incorporated into the NMPS program as available and as funding permits.
- B. Policy.
1. Copyright Restrictions. All media distributed by NMPS are copyrighted properties protected under U.S. copyright law. The transfer of picture, soundtrack, or both to another recording medium is prohibited.
  2. Units participating in the NMPS are prohibited from contacting or negotiating with any commercial source for the purpose of procuring additional entertainment motion picture products.
  3. Eligible units.
    - a. The following types of cutters are eligible to participate in the NMPS program: WHEC, WMSL, FRC, WMEC, WAGB, WLB, WLM, WTGB, WIX and WPB. Other units may be considered on a case- by- case basis only.
    - b. Isolated/semi-isolated shore units located OUTCONUS or CONUS.
    - c. Navy Entertainment Movie Program ashore for shore units only. Requests to participate shall be forwarded to the CSC for endorsement.
    - d. Based upon the availability of funds, the CSC will provide NMPS accounts for certain classes of vessels and isolated shore units. Other units as identified above may also participate. (Appropriated funds are authorized for Category A, free admission motion pictures only.)
    - e. Commands with category C movie activities shall comply with all provisions of their contract with the NMPS.
- C. Unit Program Administration Responsibility. The unit commanding officer/officer in charge is responsible for security and administration of the unit's NMPS program. The unit commanding officer or officer in charge shall designate in writing a responsible crewmember as the Movie Officer/Petty Officer. The responsibilities of the movie officer/petty officer are to:



1. Become thoroughly familiar with this Appendix and any guidance provided to the command directly from the Navy.
  2. Accept custody of the inventoried NMPS movie library and any SD cards received from the NMPS.
  3. Maintain positive control of the SSPs.
  4. Conduct and maintain accurate inventories of all SD cards to ensure movies are available for download.
  5. Maintain a complete and accurate NMPS movie inventory log.
  6. Maintain operable encrypted equipment. The SSP shall be recorded on the unit's appropriated fund property list and the Navy's property accountability documents.
  7. Permit viewing of NMPS movies only by authorized personnel. All personnel eligible to use MWR facilities are authorized to view movies.
  8. Perform other responsibilities as outlined in this Manual or Navy guidance provided directly to the unit.
  9. Commands with NMPS accounts shall develop a written instruction for the management of the account at the unit.
- D. Unit Movie Officer. A unit movie officer/petty officer shall be designated in writing whenever the movie officer/petty officer is temporarily absent for more than 30 days. Upon the relief of the movie officer/petty officer, a formal relief letter shall be prepared. Under both circumstances, an inventory of NMPS movies will be conducted and any discrepancies noted in the relief letter.
- E. Security.
1. General. NMPS SD cards are highly valuable and sought after commodity on the worldwide film piracy market. Although the cards are encrypted, thieves may not know this. If stolen or illegal copies are made, the movie studios and NMPS can trace the origins of those copies back to the original source. Any attempts to duplicate NMPS provided movies will result in the termination of support and potential further prosecution under Federal law or Uniform Code of Military Justice (UCMJ) regulations.
  2. Removal of Movies from Unit. Movies will only be removed from participating units to transfer to another unit when approved by the Navy.
  3. Storage Security. Positive control shall be used in the storage of SD cards.
  4. SD Cards (movies) Check-Out/In.
    - a. NMPS movies shall be signed out/in by authorized personnel each time they are removed/returned to storage. The movie officer shall maintain a movie log. An entry

shall be made each time a movie is removed from the locker. The entry will consist of checkout/in times and date, name of movie, signature of person assuming responsibility, display location, and signature of the person receiving the returned movie.

- b. Personnel checking out NMPS movies are responsible to ensure each movie is used for authorized purposes only, is not left unattended, is returned promptly after viewing, and is returned in good condition. Failure to maintain these elements of positive control will result in movies not being available to others for viewing.
  - c. NMPS movies should be returned to the movie locker immediately after viewing.
5. **Lost or Stolen NMPS Movies.** When loss of an NMPS movie occurs, whether by theft or misplacement, the CO/OIC shall conduct a complete inventory of all NMPS movies to determine the extent of loss, assess all security measures, and access and controls. The CSC shall be informed by of the theft/loss in addition to the cognizant authority or command providing the NMPS account. Notification shall contain the title of the movie lost, circumstances surrounding the loss, date the loss was discovered, and any further actions warranted.
- a. Conditions that will result in suspension or removal of a unit's NMPS entertainment privileges, including withdrawal of the current onboard inventory, are:
    - (1) Failure to notify the CSC of any theft or loss.
    - (2) Any unit that has had 2 incidents of theft or loss within a 1 year period.
    - (3) Lack of funding.
- F. **Program Oversight.** The CSC, the cognizant authority for MWR purposes, and the NMPS may conduct random inspections of participating units to ensure the policies and procedures outlined in this Appendix are properly carried out.
- 1. **Inventories.**
    - a. CO/OIC shall ensure that movie inventories are conducted when requested by NMP, and when receiving direct transfer of a movie library from another unit.
    - b. NMPS movies shall be inventoried upon relief of the assigned movie officer, whenever the movie officer is expected to be temporarily absent for more than 30 days, and when reporting a movie loss. These inventory reports are retained at the unit.
- G. **Procedures.**
- 1. **Participation.**
    - a. **Commissioned Units.** Any eligible unit not currently participating in the program and desiring to participate shall notify the CSC by memo via the chain of command. The request shall indicate (a) shipping address; (b) OPFAC number; (c) point of contact; (d) commercial phone number; (e) statement regarding the availability of a secure movie

storage locker; and (f) availability of recurring funding to support the annual account cost and funding to procure the encrypted DVD equipment.

- b. **New Units Under Construction.** Prospective commanding officers (PCO's) of eligible units desiring NMPS participation should notify the CSC at least 90 days prior to commissioning or based on the guidance provided in the checklist for commissioning the unit. The request shall indicate the commissioning date and the initial movie shipping date as well as all information required above. Movies may not be provided until the unit is commissioned or if funding is not available.
- c. **Cutters Entering Overhaul Status.** All cutters entering an overhaul status will ensure that movies are safeguarded against theft or unauthorized use. If the cutter cannot guarantee security onboard, the command will relocate the movies to a secure storage place ashore. If overhaul is so extensive that NMPS movies cannot be shown onboard or if the unit is unable to secure incoming SD cards, the commanding officer will notify the CSC and NMPS 90 days in advance of the overhaul starting period. NMPS will suspend movie shipments during the period of the overhaul. The commanding officer will notify the CSC and NMPS when the overhaul completion date is firmly established or the restrictive elements cease so that the accumulated movies will arrive prior to departure. A copy of all correspondence will be sent to the CSC.
- d. **Units Being Decommissioned With On- Site- Replacement.**
  - (1) Commanding officers of cutters being decommissioned with an on-site replacement will notify NMPS at least 120 days prior to decommissioning by memo with copy to the CSC or as directed in the checklist associated with the decommissioning of the cutter. The memo shall indicate: (1) scheduled decommissioning date; (2) request for on- scene transfer of NMPS movie library to the replacement cutter; (3) location where the movie library transfer will take place; (4) scheduled commissioning date of replacement cutter; (5) requested shipping date of new movies to the unit; and (6) the information required in Paragraph G.1.a. above for the replacement cutter. New movies will not be provided to units under construction until the unit is commissioned.
  - (2) Upon NMPS approval, commanding officers shall transfer the NMPS movie library to the replacement cutter. An inventory of the NMPS movie library shall be conducted at the time of transfer by both transferring and receiving units. The CSC will provide disposition instructions for the SSPs.
  - (3) If NMPS movies are not desired for the replacement cutter, the provisions of this Paragraph apply.
- 2. **Units Being Decommissioned Without On-Site Replacement.** Commanding officer will notify NMPS at least 30 days prior to decommissioning by memo, with copy to the CSC of the scheduled decommissioning date. Sufficient time shall be allotted prior to the unit's decommissioning to ensure that any inventory discrepancies are properly addressed per this Appendix. The CSC will provide disposition instructions for the SSPs.

H. Voluntary Disenrollment. Any eligible unit currently in the program and desiring to withdraw will notify the CSC by memo via the chain-of-command citing the reasons for the request.

I. Distribution.

1. Source. All NMPS movies are distributed by the Navy Motion Picture Service, Commander, Navy Installations Command, Millington Detachment, 5720 Integrity Drive, Bldg. 457, Millington, TN 38055-6510. Telephone: (901) 874-6537.
2. Mailing. Generally, SD cards will not be returned to the NMPS. Any movies returned to NMPS will be returned under the guidance provided by the NMPS. Each movie shipment may be returned via U.S. Postal Service or by delivery services such as UPS and FedEx. When returning movies, commands shall follow any mailing directions provided by the NMPS or obtain shipping information from the NMPS.
3. Replacement of Movies. If a movie cannot be used due to structural or electronic malfunction, it may be replaced by the NMPS. Replacement SD cards may be obtained from the NMPS through e-mail request to the point of contact provided by the NMPS.
4. Return of Movies. Prior to returning any movies to the NMPS, commands shall seek disposition instructions from the NMPS. The commands shall also advise CSC regarding the disposition of these movies.

J. Reports. Units shall provide any information requested by the NMPS or the CSC.

## **Appendix I. Food And Beverage (F&B) Operations**

- A. Purpose. This Appendix contains policy and guidelines for Coast Guard MWR food and beverage operations.
- B. General. The Coast Guard's F&B operations are customer-driven business activities, whose primary mission is to foster camaraderie and esprit de corps, consistent with Coast Guard values as a benefit of military service. They are an integral part of Coast Guard quality of life. Because of the risks inherent in the proper handling, preparing, serving, and storing all F&B products, at least one staff member while the establishment is open shall have a ServSafe certification on file.
1. Coast Guard F&B operations are operated as Category C Activities for eligible patrons. This may include enlisted, chief petty officers, and officers clubs. Due to the restrictions placed on the use of APF in support of Category C Activities, and the requirements that Category C activities at least break-even, from the business sense, a consolidated club may be preferable and make the best business case.
  2. F&B operations may be operated as concessions that comply with Reference (a). Concession agreements for F&B operations are not authorized without the express written approval of the CSC.
  3. F&B activities typically have lower gross profit margins and significant competition from similar establishments in the local community. Commands unable to generate an annual net profit in its F&B operations at the end of each NAF year, shall report to the CSC its business plan to at least break even for the upcoming year. Failure to generate a net profit in two consecutive years will necessitate the activity to close.
  4. Employees or members of the command are not authorized free or discounted products from the F&B operation and shall not consume food while working.
  5. Reference (t) will be used as the guide for preparing, handling, storing, and serving food, including the handling of leftovers.
- C. Policy.
1. Commands that sell alcohol shall have on file a Special Tax Registration with the Alcohol and Tobacco Tax and Trade Bureau. All commands with a Category C MWR Activity serving any alcoholic beverages shall have a registration on file. Commands shall also submit a registration form in the event that they disestablish the F&B operation.
  2. Although F&B operations are integral parts of a balanced MWR program, as Category C activities, they shall be self-sustaining or else will place undue financial burden on the morale fund as a whole. Commanding officers shall carefully balance the profitability of their F&B operation with the other MWR programs offered at the command.

3. Entertainment provided in F&B facilities for the pleasure of eligible patrons and their guests, whether for special events, private parties, or for other purposes, should always be wholesome and diverse so as to satisfy the various tastes of those in attendance. Entertainment shall be tailored to avoid offending the dignity of attendees, shall not be embarrassing to the Coast Guard, and shall adhere to Coast Guard core values.
4. Because of the difference in gross profit percentages between F&B operations, combining their financial results for reporting purposes is misleading. Commands with authorized F&B operations shall report them separately on Operating Summary MWR Activities (CG-2985A), or equivalent, to provide management the information necessary to control the operation. While open, F&B operations shall serve food. On an annual basis, twenty-five percent of F&B sales shall be reported in food and nonalcoholic beverage sales.
5. Concession and vending income derived from F&B activities shall be reported as Other Income and/or Vending Income on the Morale Fund Financial Statement (CG-2985) or Operating Summary MWR Activities (CG-2985A), or equivalents, as appropriate.
6. Internal control procedures for inventory, portion control, staffing, and cash handling are essential to ensure the profitability of these operations.
7. Financial Cost Percentage for F&B Operations. This is a guideline.
  - a. F&B Net Operating Profit. The standard for net income before depreciation is five percent of total food service activities' sales.
  - b. Food Cost Percentage. F&B activities shall maintain a food cost percentage between 37 percent and 42 percent.
  - c. Beverage Cost Percentage. F&B activities shall maintain a beverage cost percentage between 25 percent and 30 percent.
  - d. Labor Cost Percentage. F&B activities shall maintain a labor cost percentage between 40 percent and 45 percent of sales including benefits.
8. Serving alcoholic beverages.
  - a. Each state has its own code governing the serving of alcohol. Dram Shop laws, the common law of negligence, and the concept of reasonable care hold alcohol serving establishments and their employees liable if they serve alcoholic beverages to a guest who leaves the establishment intoxicated and then injures another person. The Coast Guard is not immune from these lawsuits. Extreme care shall be exercised by those MWR activities serving alcoholic beverages to ensure responsible service.
  - b. The serving of alcoholic beverage to a patron under the age of 21 is prohibited. F&B establishments shall positively identify the age of patrons prior to providing alcoholic beverages.
  - c. The serving of alcoholic beverages to those patrons that are intoxicated is strictly prohibited.

- d. Only those bar operations authorized by the CSC may serve or sell alcoholic beverages other than that which is authorized by Reference (d).
- e. No employee under 21 years of age shall be permitted to sell or dispense alcoholic beverages.
- f. The sale of alcoholic beverages on federal or state election days during polling hours is prohibited except when state or local laws permit civilian establishments or liquor stores to operate.
- g. In order to ensure responsible service of alcoholic beverages, units with authorized bar operations shall:
  - (1) Have written policies and procedures as part of a responsible alcohol service program.
  - (2) Prohibit programs and practices that glamorize the sale, possession, and consumption of alcoholic beverages.
  - (3) Ensure that MWR F&B activity managers, bartenders, and wait staff serving alcoholic beverages receive certified training in preventing alcohol abuse. Such training shall include, as a minimum, understanding and recognizing intoxication, monitoring alcohol consumption, intervention techniques, and identification of minors. Recognized training programs such as Training for Intervention Procedures (TIPS) and Controlling Alcohol Risks Effectively (CARE) would meet this training requirement. Certification of the completion of training shall be included in each employee's official personnel file. No employee shall be assigned responsibilities that include the serving of alcohol beverages until such training is complete. Annual, local refresher training is required and shall be documented.
  - (4) Never stack drinks.
  - (5) Use standard drink recipes.
  - (6) Prohibit "free pouring" as a pouring technique.
  - (7) Promote food sales with alcohol.
  - (8) Provide entertainment that may include dart boards, pool tables, or video machines.
  - (9) Prohibit alcohol drinking contests.
  - (10) Not engage in "last call" and other count-down techniques designed to promote last minute alcohol sales.
  - (11) Not engage in "happy hours" whereby drinks are sold at reduced prices for a limited period of time.

(12) Prohibit the use of tip jars.

(13) Ensure employee tips are properly reported to the IRS, as necessary.

D. Bar Operations. Profitable F&B operations require management involvement in the security of activities' assets and daily procedures that include sound internal controls.

1. Prudent management dictates that the following procedures be enforced:

- a. Use pre-measured dispensers for all liquor poured. Free pouring is not permitted.
- b. Have an adequate supply of standard size glassware on hand. There is a direct correlation between the size of glass and the portion-controlled drink.
- c. Post drinks with price lists in visible locations within the facility.
- d. Use standard drink recipe cost control cards for each size of drink (include all ingredients). Train bartenders on the standards and portion control.
- e. Use a bartender's want- list for out-of-stock or low items.
- f. Record all deliveries from vendors or transfers from other activities on a receiving/purchase log.
- g. Follow manufacturer's directions for scheduling daily and routine maintenance on all bar equipment.
- h. Hold bartenders accountable for the cleanliness and sanitary conditions of the bar.
- i. Prohibit credit sales.
- j. Prohibit vendor deliveries during hours of operation.

2. Inventory Assortment. The well stock of the front bar should consist of popular, moderately priced brands. The following products are generally included in the well stock:

Bourbon Blend  
Scotch  
Gin  
Light Rum  
Vodka  
Brandy  
Dark Rum  
Tequila

This selection will vary according to local patron demand. An assortment of cordials or liqueurs will also depend upon local preference. Higher priced products referred to as "call brands" will complete the assortment of liquor for the bar. Determine the number of malt



beverages and soft drinks by refrigerated storage space and consumption. Bar wines served by the drink should include one each of red, white, and rose. The number of bottles of each brand included in the well stock should not exceed two bottles.

3. The sale of malt beverages to individuals for off-premise consumption is limited to one six-pack per day, per eligible patron. Sale for off-premise consumption is authorized only at times when the service is not provided by the local Coast Guard exchange and at prices no less than the Coast Guard exchange selling price.
4. The sale of malt beverages in kegs or cans and canned non-alcoholic beverages is authorized for command sponsored functions such as unit picnics, division parties, and Coast Guard Day festivities.
5. Tobacco products are not authorized for sale in MWR activities.

E. Internal Controls.

1. Cash Registers. All bar sales shall be rung on a cash register by category of items sold, e.g., beer, wine, mixed drinks, food, and snacks. Operating from an open cash drawer is prohibited.
  - a. Ensure that the internal audit detail register tape is adequate for recording all transactions.
  - b. A daily reconciliation of the internal audit detail register tape with cash sales is mandatory.
2. Inventory Accountability. The use of standard size glassware, drink recipes, and pre-measured pouring devices provide the basis for maintaining inventory accountability.
  - a. Daily inventories of the bar stock and the immediate back-up stock are recommended. Record physical inventories through the use of weighing or measuring devices. Where electronic dispensers with counters are used, the count figures shall be recorded for calculating consumption data. All empty bottles shall be accounted for. A comparison of the consumption data along with the cash report provides a cross-check on the efficiency of the bar operations. Physical inventories of F&B inventory shall be taken quarterly in conjunction with the submission of the quarterly financial statement.
  - b. Completion of the daily inventory provides the information necessary to estimate the gross profit percentage. This information may then be used as a comparison with budgeted gross profit to determine the efficiency of the bar operation.
  - c. Comparing the gross profit dollars (sales minus cost of good sold) with daily personnel costs provides general information regarding the profitability of the bar operations and will assist the MWR Officer/Director in monitoring personnel costs and operating hours.

F. Security.

1. Store all beverages in a secure space. Keep bar inventories, including beer taps, locked during non-operating hours.
2. Managers should be aware that the following may indicate the possibility of fraud:
  - a. Bartenders working with an open cash drawer.
  - b. Bartenders "over-pouring" or "short-pouring" drinks. (Not using portion control devices.)
  - c. Hydrometer test of bottled liquor shows less than required alcoholic proof of contents.
  - d. Empty bottles not accounted for.
  - e. Bartenders bring in own liquor.
  - f. Bartender/waitress bring in own guest checks.
  - g. Missing guest checks.
  - h. Frequent erasures on guest checks.
  - i. Employees "short-changing" or overcharging guests.
  - j. Check padding.
  - k. Employees drinking on the job. Employees are prohibited from consuming alcohol while working.
  - l. Collusion between bartender/wait staff.

G. Function Scheduling. Eligible patrons at times may desire to sponsor functions at Coast Guard MWR F&B facilities or other MWR facilities. These facilities provide ideal locations for these functions and further maximize the use of the facilities.

1. F&B facilities should maintain a listing of services available with their cost(s) to assist patrons in scheduling their events. MWR F&B operations have the primary authority to provide this food service.
2. Each function scheduled requires the proper completion and execution of a pre-numbered contract. These numbers can then be audited.
  - a. This contract will be signed by the appropriate MWR management member and the function sponsor. The function sponsor shall be an authorized patron of the MWR F&B activity.

- b. Management will advise the patron who signs the contract that he or she will be held responsible for meeting the cost agreed upon and will ensure that the status of personnel attending is per the signed contract. Any payment for the event shall be made directly from accounts of the eligible patron.
  - c. It is appropriate to require advance deposits for functions. Deposits shall be recorded as liabilities until earned and shall be deposited in accordance with deposit requirements contained in Chapter 8.B.3.b.(5). of this Manual.
  - d. Local policies should be established regarding event cancellation and the refund of deposits. When a cancellation is made and accepted, and no expenses are incurred by the activity as a result of the cancellation, the MWR activity may exempt the sponsor from all charges. Otherwise, all expenses incurred as a result of the preparation, should be charged to the sponsor.
3. In keeping with the hospitality industry practices, F&Bs not consumed during the function may not be removed from the facility.
- H. Establishment of a F&B Activity. Commands desiring to establish a F&B activity as a part of their MWR program, shall submit a written request to the CSC via the chain-of-command and the cognizant authority. This request shall include at a minimum, in addition to the items listed in Chapter 6.G.4., (1) the demographics of the patron base; (2) a detailed business plan; (3) the facility in which the F&B operations will be conducted at the command; (4) the availability of off-premise establishments providing similar services; and the ability to comply with the other provisions of this Appendix. Those requests for the establishment of F&B activities that are approved will receive a memo of authorization for the activity from the CSC. That authorization shall be retained in the MWR files of the command.
- I. Disestablishment of a F&B Activity. Units desiring to disestablish an authorized F&B activity shall advise the CSC, the chain of command, and the cognizant authority of the disestablishment. Commands shall comply with Chapter 6.H and Paragraph C.1. of this Manual. The disestablishment shall indicate the exact date operations will cease. In conjunction with the cognizant authority, the CSC will issue specific instructions for the disposal of stock. All stock should be returned to vendors or sold to other MWR activities when practicable. The CSC will delete this activity from the listing provided to the insurance underwriter.

## **Appendix J. Participation In The Navy Sports Program, Inter-Service, And International Sports Competition**

A. Eligibility. All officer and enlisted personnel on active duty are eligible, based upon the following restrictions:

1. The member shall be found physically qualified to participate in the sporting event by a medical officer.
2. Professional boxers may not enter boxing competitions.
3. For non-military national and international competitions, the member shall be a bona fide amateur athlete under the rules of the national governing body governing that sport.

B. Application Procedures.

1. Members who possess the athletic ability necessary to compete with Navy teams or in higher level of competition, may make application to the CSC.
2. Application for participation in Navy sporting events as published on the Armed Forces Sports calendar shall be forwarded to the CSC. Nominations may also be accepted from an Armed Forces-designated coach for each sport as long as the member's command concurs. As the number of participants for each sporting event will be limited, only candidates with proven ability to compete successfully in higher levels of athletic competition will be selected.
3. All applications shall be approved by the athlete's command.
4. Personnel of other Services who are attached to a Coast Guard unit are encouraged to make application in the same manner as Coast Guard members. In these instances, their applications will be referred back to their parent Service for consideration.
5. The latest version of the application is published on the Coast Guard MWR website.

C. Selection.

1. Only applications with favorable command endorsements will be considered.
2. Applications to participate in the Navy sports program, the Armed Forces sports program, and other higher levels of competition will be forwarded by the CSC to appropriate Services' Sports Office. Selection is normally based upon the following criteria:
  - a. Results in prior Navy or Armed Forces competition.
  - b. Known athletic ability as demonstrated in results in national, collegiate, or international competitions.

- c. Certified information obtained from the member's application.
3. Applications for participation in national and international competition will be subject to evaluation by the national governing body governing that sport. Personnel of the Armed Forces may be allowed to train for, and participate in, international sports competitions that are in the best interest of the United States as determined by the Department of State. The Olympic Games, the Pan American Games, and competition under the Conseil International Du Sport Militaire (CISM) have Department of State approval. Members traveling internationally outside the sporting venues identified above are required to obtain their own authorization for foreign travel in accordance with current Commandant Policy.
4. All applicants will be notified by the CSC of the results of their application.

D. Orders.

1. Notification of selection for competition from the CSC will include authority for temporary additional duty (TAD) or permissive orders and include specific instructions concerning the athletic event and the competition location.
2. TAD orders for participation in international competition may only be authorized by the CSC or the Armed Forces Sports Council and for only those competitions approved by the Department of State.
3. Applications from candidates requiring special consideration in duty status or location in order to accomplish specialized athletic training for authorized international training/competitions will be coordinated through the CSC.
4. Any orders issued will indicate if the member should be authorized to proceed to higher level of sports competition, if qualified and selected.

E. Funding.

1. Personnel participating in Navy sports programs are usually provided messing and berthing by the Navy at no cost to the participant. Those personnel selected to represent the Navy at higher levels of competitions may be provided messing and berthing and transportation by the Navy to the next training/competition site, and return, to the member's permanent duty station.
2. APF is generally authorized for travel-related costs in the Armed Forces Sports program. NAF support may be provided to an individual selected to participate in the sport training/competition to help defray applicable transportation and travel-related costs (i.e., lodging, meals, entry fees, and other related expenses). This support may be provided by the unit morale fund and other units in the chain-of-command. Funding support should be coordinated among all commands to reduce the funding burden on any one particular command.
3. Personnel selected to train for and participate in the Pan-American Games, Olympic Games, and other authorized international competitions in amateur sports will be funded by the CSC to the extent that funds are available.

4. Upon selection to represent the United States in non-military national and international sports competitions, the member, to the maximum extent feasible, shall be equipped, transported, and subsisted by the sponsoring agency (U.S. Olympic Committee or responsible national governing body) in the same manner as are civilian members of the team.
5. Any offer of reimbursement of travel and transportation expenses by a non-federal source in connection with participation in any sports training/competition may not be accepted by the member without prior approval of the CSC and in accordance with current directives on the acceptance of gifts.

## **Appendix K. Sports Participation Grant Program**

- A. Overview. It is the Coast Guard's policy to encourage and support all athletes throughout the Coast Guard to participate in athletic competitions. This Appendix provides policies and procedures for Coast Guard active duty athletes to obtain financial support to participate in sports competition should funding be available.
- B. Discussion. The Coast Guard has always recognized athletic participation as an important part of health and physical fitness. In addition, athletic competition teaches teamwork and sacrifice and develops a will to win, dedication, and esprit de corps.
1. Funding Policy. Nonappropriated funding support may be provided to an individual (no teams) desiring to participate in sports competitions. This support may be provided by the parent unit morale fund and other units in the chain of command. Funding support should be coordinated among all commands to reduce the financial burden on any one particular command. Nothing in this section would preclude a command from establishing local procedures to support unit teams in athletic competition.
  2. Amounts. The CSC may maintain limited NAF for individual sports competition entry fees if funding for this program is available. Generally, active duty members may receive up to \$400 in grants each NAF year (1 February through 31 January), not to exceed \$200 for a single event, for no more than two events during the eligibility period. CSC evaluates the level of participation throughout the NAF year to determine the final amount awarded and notifies members via email upon NAF year funding approval.
  3. Procedures. Active duty members desiring funding assistance for sports competitions may submit a request to CSC for consideration. Individuals should submit applications when interested in an event to potentially secure funding. Requests for sports participation grants are processed throughout the entire NAF year until funding is exhausted. The annual PSC announcement (ALCGPSC) will provide guidance for requesting an individual sports grant.
  4. Approvals. CSC provides grants for individual competition entry fees. Team entry fees, memberships, league dues, licenses, training programs, equipment, etc., are not permitted. The basis for all approvals is to enhance the physical fitness and readiness of the active duty workforce. Visit the Coast Guard MWR website for examples of approved activities.

**Appendix L. Elite Athlete/Unit Sports Team Of The Year Application**

1710  
DATE

From: Commanding Officer

To: CG CSC

Subj: NOMINATION FOR COAST GUARD (FEMALE or MALE) ELITE ATHLETE OF THE YEAR

Ref: (a) Coast Guard Morale, Well-Being, and Recreation Manual, COMDTINST 1710.13 (series)

1. I hereby nominate CWO4 Donnie Gray, USCG for the Coast Guard Elite Athlete of the Year, 20XX.
2. The command may include remarks in their endorsement. However, comments are not required. The memo endorsement should not exceed one page. Include the nomination template as an attachment to the submission. This information should meet the criteria of Chapter 5 of this Manual.
  - a. Optional text.
    - i. Optional text.
      1. Optional text.
        - a. Optional text.

#

Appendix: MWR CG EAOY Nomination Template



**Appendix M. Sample Of Letter Announcing Commercial Sponsorship Opportunities**

DATE

Name (if available)  
Title (if available)  
Company  
Address

Dear \_\_\_\_\_

Sponsorship opportunities are available for the (Name of Event) conducted by the Morale, Well-Being, and Recreation (MWR) activities of (Name of unit). Brief description of event to include:

- Date.
- Location.
- Target market(s) and expected number of participants/spectators. This includes active duty members and/or their dependents and civilian employees. Specify by category.
- Brief description of the event. If established event, give brief summary of past success (es).

Sponsorships are available for this event at various levels. Sponsorship opportunities include signs, banners, product sampling (except alcohol), title recognition, product sales rights, etc. Sponsorship packages are tailored to provide maximum exposure and visibility for you. Our MWR representative will work individually with you to ensure that you achieve your sponsorship objectives.

If you are interested in being a part of this exceptional event, please contact (Name, Title) at (Phone Number) for a complete proposal package. Deadline for submitting your proposal is (date). We look forward to working with you for our mutual benefit.

Sincerely,

R. T. DOWNS  
MWR Director  
U.S. Coast Guard  
By direction

## Appendix N. Sample Of Sponsorship Agreement

This agreement ("AGREEMENT") made and entered into by and between the (Name and address of Unit MWR FUND) ("FUND") and (Name and address of SPONSOR) ("SPONSOR") and (Name and address of CO-SPONSOR if any) ("CO-SPONSOR").

The FUND seeks to promote positive, healthy, and active participation in leisure and recreational programs for the Coast Guard family;

The FUND plans to conduct (type of event), ("EVENT") at (location of); and SPONSOR and CO-SPONSOR desire to co-sponsor such event, which sponsorship would include promotional product tie-ins for (name of product/s) ("PRODUCT").

In consideration of the premises and mutual promises set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. EVENT. During the (period of event/s), FUND agrees to conduct the following:

- (a) (description of event)
- (b) (description of additional events if applicable)

FUND designates SPONSOR and CO-SPONSOR as SPONSORS of the event and agree to work with CO-SPONSOR promotional tie-ins. FUND agrees that CO-SPONSORS may advertise their sponsorship of the event/s.

2. MWR Responsibilities. Each FUND will:

- (a) Provide the (whatever) and all logistical support and requirements to conduct each EVENT.
- (b) Provide adequate professional staff to plan, organize, promote, conduct, and evaluate each EVENT.
- (c) If applicable, coordinate with the local Coast Guard Exchange regarding dates and times to ensure effective in-store promotional tie-ins for PRODUCTS.
- (d) Provide an endorsement disclaimer on promotional materials distributed in connection with the EVENT.

3. CO-SPONSORS' Responsibilities. In exchange for promotional tie-ins with the EVENT, CO-SPONSORS will:

- (a) (Example) Provide T-shirts for EVENT participants at an estimated maximum total of (number of shirts). CO-SPONSORS and MWR logos will be featured. CO-SPONSORS will develop, produce, and deliver the shirts to MWR. MWR will approve the design of the T-shirts. The cost for developing, producing, and delivering the T-shirts will be borne 50/50 (or other agreed upon proportion) by CO-SPONSORS.

- (b) Provide (describe other advertisement i.e. signs, banners) for EVENT site. Advertisement shall feature PRODUCTS' logos. CO-SPONSORS will develop, produce, and deliver the (list advertisements) to FUND. The cost for developing, producing, and delivering the (banners) will be borne 50/50 (or other agreed upon proportion) by CO-SPONSORS.
  - (c) Provide FUND with camera-ready art for PRODUCTS' logos for flyers, registration forms, etc. to be produced and distributed by MWR.
  - (d) Provide free samples of PRODUCTS to all EVENT participants.
  - (e) Coordinate with local FUND and Coast Guard Exchange to provide in-store promotional tie-ins in the form of existing point-of-sale and display materials.
4. Trademark License.
- (a) SPONSOR hereby grants CO-SPONSOR and FUND a royalty- free, non-exclusive license to use and display the trademarks associated with PRODUCTS. Such use shall be limited solely to the duration of the sponsorship of the EVENT and any advertising or promotional activities relating thereto. CO-SPONSORS and FUND shall not use any of the SPONSOR's trademarks in a way which would cause any person reasonably to infer, or otherwise convey the impression, that CO-SPONSOR and FUND are in any way affiliated with or otherwise acting on behalf of SPONSOR, which may be detrimental to SPONSOR's interest. SPONSOR shall provide CO-SPONSOR and FUND specific instructions for using SPONSOR's trademarks; CO- SPONSOR and FUND shall promptly comply with such instructions. CO-SPONSOR and FUND acknowledge that the provisions of this Paragraph do not convey the right, title, or ownership interest in the trademarks.
  - (b) Except as expressly provided herein, neither CO-SPONSORS nor FUND shall have the right to use in any way the corporate or trade name, trademark(s), service mark(s), logo(s), or other identification of the other parties without their prior written consent.
5. Term and Termination. The term of this AGREEMENT shall commence as of (date), \_\_\_\_ and shall continue until (date), \_\_\_\_ . Any party may immediately terminate this AGREEMENT upon a material breach of any term or condition hereof.
6. Right of First Refusal. (Note: This clause may be deleted based on the level of guarantee the command wishes to provide this same sponsor for the same event the following year. Normally, only a SPONSOR that provides substantial sponsorship will be afforded this Right of First Refusal.) Upon termination of this AGREEMENT, CO-SPONSORS shall have the right of first refusal to renew this sponsorship AGREEMENT provided that the FUND conducts this EVENT during this timeframe in (year). As used herein, the right of first refusal shall mean that if FUND receives a "bona fide offer" (as hereinafter defined) regarding sponsorship from a third party (i.e, another SPONSOR), then FUND shall be obligated to communicate such offer to CO-SPONSORS, and permit CO-SPONSORS, at their option, to offer to contract with FUND, either individually or as CO-SPONSORS, on terms no less favorable to FUND than those contained in the bona fide offer of the third party. In no event shall FUND enter into a contract with a third party upon terms and conditions more favorable to such third party than those offered to CO-SPONSORS, unless such terms have first been offered to CO-SPONSORS. As used herein, the term "bona fide offer" shall mean a proposed agreement concerning rights and obligations

similar to those herein, which agreement if executed by FUND and the third party, would be legally binding.

7. Competitive Sponsorship. (Note: This clause should be deleted if you have more than one sponsor with similar PRODUCTS during the EVENT.) FUND warrants and agrees that it has not, and during the term hereof will not, grant to anyone other than the CO-SPONSORS the right to sponsor or advertise competitive PRODUCTS during the EVENT.
8. Insurance. (Note: The following insurance clause is optional dependent upon the risk associated with the sponsorship, e.g., in-kind sponsorship of t-shirts would not required this clause. Further, any item or service procured by MWR or the Coast Guard Exchange System does not require the use of this clause.) CO-SPONSORS shall at their own expense, procure and maintain during the entire performance period of this AGREEMENT, general liability insurance wherein the FUND and the United States are included as named insured stating that such insurance is primary. (Secondary to, or contributory to no other insurance). The policy limits of \$500,000 per person - \$1,000,000 per occurrence for injury or death, and \$100,000 property damage per occurrence are required. CO-SPONSORS are responsible for damage or loss to their owned or leased equipment. Claims will be honored only if it can be shown that the FUND was negligent and caused damage or loss to their equipment.
9. Disputes. Except as otherwise provided in this AGREEMENT, any dispute or claim concerning this AGREEMENT which is not disposed of by consensus among the parties, shall be decided by the Commanding Officer, who shall state his/her decision in writing and mail or otherwise furnish a copy of it to the CO-SPONSORS. The decision shall be final and conclusive provided that the CO-SPONSORS shall be afforded an opportunity to be heard and to offer evidence in support of any appeal under this clause. Pending final decision on such a dispute, however, the CO-SPONSORS shall proceed diligently with the performance of this AGREEMENT.
10. Termination for Default. The FUND, by written notice, may terminate this AGREEMENT in whole or in part for failure of the CO-SPONSOR to perform any of the provisions hereof. In such event, the CO-SPONSOR shall be liable for damages including the excess cost of procuring similar supplies or services, provided that, if (i) it is determined for any reason that the CO-SPONSOR was not in default; or (ii) CO-SPONSOR's failure to perform is without his or her (or subcontractor's) control, fault, or negligence, the termination shall be deemed to be a termination for convenience. As used in this provision, the term "subcontractor" means subcontractor of the CO-SPONSOR at any tier.
11. Termination for Convenience. The FUND, by written notice, may terminate this AGREEMENT, in whole or in part when it is in the best interest of the FUND. If this AGREEMENT is for supplies and is so terminated, the CO-SPONSORS shall be compensated for supplies already provided. To the extent that this AGREEMENT is for services and is so terminated, the FUND shall be liable only for payment according to the payment provisions of this AGREEMENT, for services rendered prior to the effective date of termination providing there are no CO-SPONSORS claims covering non-recurring costs for capital investment. If there are any such CO-SPONSORS claims, they shall be settled according to Section 10 of this AGREEMENT.
12. Independent Contractor. CO-SPONSORS and the FUND shall be and act as independent contractors, and under no circumstances shall this AGREEMENT be construed as one of

agency, partnership or joint venture of employment between the FUND, SPONSOR and CO-SPONSOR. None of the personnel under contract to, employed by or volunteering for the FUND, shall be deemed in any way to have any contractual relationship with CO-SPONSORS whatsoever. The FUND shall be solely responsible for the conduct of its employees, personnel, and agents in connection with their performance of the FUND's obligation hereunder.

13. Force Majeure. No party shall be responsible for events beyond its reasonable control, such as acts of God, weather delays, government restrictions, or unforeseen commercial delays. If any of the EVENT(s) are postponed due to inclement weather or other conditions beyond the Coast Guard's control, they may be rescheduled for another time. CO-SPONSORS shall then be entitled to, and the FUND agrees to give the CO-SPONSORS, all of the advertising and sponsorship rights set forth herein at no additional charge to CO-SPONSORS.
14. Notices. All notices required or permitted hereunder shall be deemed duly given if sent by certified mail, postage prepaid, and addressed to the parties as follows:  
  
If to SPONSOR: Name and address of SPONSOR.  
  
If to CO-SPONSOR: Name and address.  
  
If to FUND: Name and address.
15. Assignment. This AGREEMENT is not assignable in whole or in part by any party hereto in the absence of the prior written consent of the other party.
16. Entire AGREEMENT. This AGREEMENT contains the entire understanding between the parties hereto relating to the subject matter contained herein and supersedes any and all prior agreements, arrangements, communications or representations, whether oral or written. This AGREEMENT may not be amended, altered, modified or changed except in writing, signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed.

SPONSOR

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FUND

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CO-SPONSOR

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Appendix O. Commercial Sponsorship Disclaimer**

A disclaimer shall be used to avoid an inadvertent insinuation that the Coast Guard officially endorses any company, sponsor, or their products or service.

The following is an example of a Standard Disclaimer that will not detract from the sponsorship:

“The Coast Guard Academy sincerely thanks and appreciates the sponsors of this event. However, neither the Coast Guard nor any other part of the Federal Government officially endorses any company, sponsor, or their products or services.”

In media that would preclude a lengthy Disclaimer due to factors such as space restrictions or cost, commands may use the Disclaimer, “Sponsorship does not imply endorsement.”

The above Disclaimer shall be posted at all sponsored events. Enough signs shall be used to reasonably permit everyone to see the disclaimer.

The size of the print shall be large enough to permit reading from a distance of 25 feet.

This Disclaimer shall also be included in flyers, posters, and advertisements.

The Disclaimer is not required in the Plan-of-the-Day.

The Disclaimer shall also be read to the audience at least once during any performance where the commercial sponsor is verbally identified.

## **Appendix P. Guidance For The Preparation Of Morale Fund Financial Statements And Related Reports And Morale Fund Report Checklist**

This Appendix includes instructions, blank forms, and examples of completed forms of morale fund financial statements and supporting forms.

### **A. Morale Fund Financial Statement (Form CG-2985).**

1. The Morale Fund Financial Statement shall be prepared in accordance with the schedule contained in Chapter 8 of this Manual. Reporting submission consists of two forms:
  - a. The Morale Fund Financial Statement (Form CG-2985). The Operating Summary MWR Activities (Form CG-2985A).
  - b. These are the only two forms required to be forwarded to the cognizant authority when submitting financial statements.
  - c. Blank copies of all forms are included in this Appendix. Local reproduction is authorized.
2. Preparation guidance.
  - a. This form provides a snapshot summary of the financial status of the Morale Fund. It is divided into five areas as follows: Net Worth, Assets and Liabilities, Loan Account Summary (as of 2016, this program is no longer authorized but residual loans may still need to be accounted for), Reconciliation of Checking Account, and Certifications. Many of the totals entered on the Morale Fund Financial Statement, Form CG-2985, originate from Operating Summary MWR Activities, Form CG-2985A, Operating Summary MWR Activities, and Morale Fund Loan Accounting Sheet, Form CG-4518, (existing, residual loans only).
  - b. The following is guidance on the proper preparation of Morale Fund Financial Statement, Form CG-2985:
    1. Net Worth.
      - (a) Item 1, Net Worth Brought Forward - same as Line 9, previous report.
      - (b) Item 2, CGES Funding - this is funding received during the quarter from the cognizant authority and is generally linked to the distributions associated with CGES profits.



- (c) Item 3, Net Profit MWR Activities - carried from Line A-13 of Operating Summary MWR Activities, Form CG-2985A. (If a net loss, figures appropriately appear as a negative number.)
  - (d) Item 4, Other Receipts/Income - include such items as interest; recycling proceeds, per Coast Guard Qualified Recycling Program (QRP) Policy, COMDTINST 16477.5 (series); fund raisers, and concession-related income, (if not listed as separate MWR Activities on Operating Summary MWR Activities, Form CG-2985A). A schedule of the sources and amounts shall accompany any reporting submission.
  - (e) Item 5, Total Income For Period – self explanatory; add Items 2, 3, and 4.
  - (f) Item 6, Morale Expenditures - all purchases or expenditures not included on the Operating Summary MWR Activities, Form CG-2985A as separate MWR Activities. See the illustration of a Morale Fund Transaction Accounting Sheet, Form CG-4517, in this Appendix for examples of these expenditures. Units operating Category B or C MWR Activities should consider recording the expenses associated with capital improvements as morale expenditures rather than expenses of the activity during the reporting period.
  - (g) Item 7, Losses and Transfers - this Item includes losses of cash or other assets and loans written-off. Do not include inventory losses already reflected in "Ending Inventory," Item A-5 on the Operating Summary MWR Activities, Form CG-2985A. Losses not related to shortages due to errors in change making shall be reported in accordance with Chapter 6.J.2 of this Manual. The unit shall maintain sufficient records to identify the totals reported in this block for losses and for transfers.
  - (h) Item 8, Total Expenditures - self explanatory, Items 6 and 7.
  - (i) Item 9, Net Worth - self explanatory (Item 1 plus Item 5, minus Item 8). Shall equal amount on Item 17, Net Worth.
2. Assets and Liabilities.
- (a) Item 10, Checking Account Balance - same as Line 29. The checking account(s) shall be reconciled with bank statements before this item may be completed.
  - (b) Item 11, Cash Account/Cash On Hand - if applicable, the MWR officer/director or auditor shall make a physical count of the cash in the cash account. This shall also include any authorized cash accounts.
  - (c) Item 12, Savings Accounts - if applicable, the MWR Officer/Director or auditor shall reconcile this amount with current bank statements.

- (d) Item 13, Loans Receivable/Accounts Receivable - this is the sum of the amount on Line 24 and any other accounts receivable. Units shall submit the itemization of receivables by age with the Morale Fund Financial Statement, Form CG-2985.
- (e) Item 14, Resale Inventory - same as Line A-5 on Operating Summary MWR Activities, Form CG-2985A. This should include all items procured for resale and shall not include any items held for concession sale. Supply inventories shall not be included here.
- (f) Item 15, Total Assets - self explanatory (add Items 10 through 14).
- (g) Item 16, Accounts Payable and Other Liabilities - every effort should be made to pay invoices when due. This is the sum of the figure as reported on Line A-14 of Operating Summary MWR Activities, Form CG-2985A and any other payables that were not reported as part of an MWR Activity. Units with amounts reported in this item shall submit an itemization of the payables, by age, with the Morale Fund Financial Statement, Form CG-2985.
- (h) Item 17, Net Worth - self explanatory (Item 15 less Item 16). Shall match Item 9, Net Worth.

**B. Operating Summary, MWR Activities (Form CG-2985A).**

1. This form is designed to summarize the results of operation of MWR activities for a specified period of time. By review of this completed form, the MWR Officer/Director, commanding officer, or cognizant authority can quickly determine the effectiveness and financial costs of the various activities operating at the unit.
2. Major "out of the ordinary" expenses should not be included on the Operating Summary MWR Activities, Form CG-2985A. Sometimes it will require command discretion as to whether an expenditure will be classified as an activity expense (A-9) or a general MWR expense (Item 6 on the Morale Fund Financial Statement, Form CG-2985).
3. As a general rule, commands shall report as ongoing MWR activities those classified as Category B or C, as defined in Chapter 4 of this Manual. Examples would include bowling center operations, temporary lodging facilities, auto hobby shops, and food and beverage operations. For food and beverage operations, food operations and bar operations shall be budgeted and reported separately. A one time purchase of entertainment tickets and their immediate and total distribution would not be considered an "ongoing" MWR activity, and would not be reported on the Operating Summary MWR Activities, Form CG-2985A. Any purchase of tickets for resale or resale merchandise authorized to be kept in inventory, shall be reported as an activity on the Operating Summary MWR Activities, Form CG-2985A.
4. The Operating Summary MWR Activities, Form CG-2985A is designed to be used in budget preparation for MWR activities and in reporting actual results of operation. It can

then also be used as a tool to compare actual versus budgeted amounts at the end of each reporting period.

5. The following is a description of each line item on the Operating Summary MWR Activities, Form CG-2985A:
  - a. A-1 Sales - receipts from sales of products or services. This would include revenue from resale items like sodas, food operations, bar operations, tickets for resale, greens fees, rental of equipment, and bowling lineage. This amount should match the appropriate A-1 column total on the Morale Fund Transaction Accounting Sheet, Form CG-4517.
  - b. A-2 Beginning Inventory – this represents Line A-5 of the previous report.
  - c. A-3 Purchases – this pertains strictly to the purchase of resale inventory. Other expenditures/ expenses are classified in Line Items A-8 through A-11.
  - d. A-4 Inventory Loss - this item is a memo entry only. It is used to record known losses of inventory. It is not used in the calculation of cost of goods because the ending inventory, Item A-5, will already reflect this loss.
  - e. A-5 Ending Inventory - this will be the final (revalued if appropriate) inventory taken at the end of the period. This figure should match those as reported on the appropriate Morale Fund Inventory Accounting Sheet, Form CG-5017. The Item A-5 total (last column) should be the same as the amount reported in Item 14 on the Morale Fund Financial Statement, Form CG-2985.
  - f. A-6 Cost of Good Sold – self explanatory. This is the sum of Items A-2 and A-3, minus A-5.
  - g. A-7 Gross Profit/Loss – self explanatory. This is the difference between Item A-1 and Item A-6. Losses for a particular activity should be reviewed in relation to the command objectives for the MWR program as a whole. It shall be recognized that the morale fund as a whole has to subsidize the net loss of a specific MWR activity.
  - h. A-8 through A-12 - self explanatory. This involves the other expenses associated with the activity. Personnel expenses, like salaries, FICA, any unemployment compensation payments, and the employer's share of health care and retirement, should be pro-rated where necessary if an employee devotes his or her time to different MWR activities.
  - i. A-13 Net Profit MWR Activity – this is the difference between Item A-7 and Item A-12 of an MWR activity. The total net profit/loss (last column) shall match Item 3 on the Morale Fund Financial Statement, Form CG-2985. Commands shall recognize that a total net loss for the reporting period will result in a decrease in the net worth of the morale fund.
  - j. A-14 Accounts Payable - it is recommended that all invoices be paid when due. Any unpaid invoices for which inventory has been received and is being reported as inventory on Item A-5 shall be reported as a payable here. The Item A-14 total should usually equal the amount listed in Item 16 on the Morale Fund Financial Statement, CG-2985.

They will differ if accounts payables exist other than those associated with the MWR activities as reported on the Operating Summary MWR Activities, Form CG-2985A.

C. Morale Fund Transaction Accounting Sheet (Form CG-4517).

1. The Morale Fund Transaction Accounting Sheet is designed to record the day-to-day transactions of the morale fund and to assist in the preparation of the Morale Fund Financial Statement, Form CG-2985 and the Operating Summary MWR Activities, Form CG-2985A. It may be beneficial to maintain a separate Morale Fund Inventory Accounting Sheet, Form CG-4517 for each MWR activity as reported on the Operating Summary MWR Activities, Form CG-2985A and/or administrative expenses of the morale fund.
2. The Morale Fund Inventory Accounting Sheet, Form CG-4517 requires a date and description for each transaction. The transaction amounts are then recorded in the appropriate columns corresponding to the item numbers on the Morale Fund Financial Statement, Form CG-2985 and Operating Summary MWR Activities, Form CG-2985A. The column headings preceded by an "A" correspond to items on the Operating Summary MWR Activities, Form CG-2985A. The other single digit numbers correspond to line items on the Morale Fund Financial Statement, Form CG-2985 (i.e. 2, 4, 6, 7).
3. Transactions that pertain to MWR activities that involve salaries, inventory, collection of receipts and resale will be recorded in the columns preceded by an "A". Other transactions that deal primarily with the administrative operation of the morale fund or major "out of the ordinary" expenses for MWR activities will be recorded in columns 2, 4, 6, and 7.
4. The following is a further explanation of several selected transactions:
  - a. 11/2 and 11/3 entries - both purchases are for vending machine resale. Since they are part of an MWR activity, they should be recorded in Column A-3.
  - b. 11/7 entry - purchase new vending machine - a large "out of the ordinary" expense not associated with the day-to-day expenses of the vending machine activity. The amount should be recorded in Column 6 as a morale fund expenditure as opposed to an equipment expenditure within the vending machine activity in Column A-9.
  - c. 11/6 entry - paid vending machine operator - a direct expense of the day-to-day vending machine activity recorded in Column A-8.
  - d. 11/12 entry - purchase bowling gloves for resale. This is an item purchased for resale and should be recorded in Column A-3.
  - e. 11/13 entry - resurface bowling lanes - large "out of the ordinary" expense, that may be recorded in Column 6.
  - f. 12/8 through 1/30 entries - items either associated with the morale fund administration or one-time type transactions.

- g. 1/8 entry – write-off of bad loan. Write-off of loans are the only loan associated transaction to be recorded on Morale Fund Inventory Accounting Sheet, Form CG-4517. All other loan transactions are recorded on the Morale Fund Loan Accounting Sheet, Form CG-4518. This would only apply to any existing loans written off as this program has been discontinued.
5. When preparing for submission of the Morale Fund Financial Statement Form CG-2985, the column totals on Morale Fund Inventory Accounting Sheet, Form CG-4517 shall equal the corresponding line items on the Morale Fund Financial Statement, CG-2985 and Operating Summary MWR Activities, Form CG-2985A. It may be beneficial to maintain a separate Morale Fund Inventory Accounting Sheet, Form CG-4517 for each MWR activity including the administrative expenses of the morale fund.

D. Morale Fund Inventory Accounting Sheet (Form CG-5017).

1. Morale Fund Inventory Accounting Sheet, Form CG-5017 is designed to be used as a simple, inventory management tool that may be used to:
  - a. Maintain a running balance of the inventory for re-ordering purposes.
  - b. Verify accuracy of physical inventory at the end of the reporting period.
2. A new Morale Fund Inventory Accounting Sheet, Form CG-5017 should be started at the beginning of each reporting period.
3. For routine transactions including purchases, issues, or losses of inventory, enter the following information:
  - a. The date of the transaction.
  - b. Description or explanation of the transaction.
  - c. The appropriate quantities and values.
  - d. The quantity remaining as a balance.
4. It is appropriate to value the inventory at cost or market value, whichever is lower, making sure that the inventory already in the vending machine is accounted for.
5. A separate Morale Fund Inventory Accounting Sheet, Form CG-5017 should be maintained for each individual resale inventory item. It is inappropriate to maintain a single Morale Fund Inventory Accounting Sheet, Form CG-5017 for a wide variety of similar items with different prices. This would cause large fluctuations in the value of the inventory.
6. The inventory information should be entered as appropriate on Line A-5, of the Operating Summary MWR Activities, Form CG-2985A.

RCS-G-WPX-5022

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-2985 (Rev. 03-03)		MORALE FUND FINANCIAL STATEMENT			REPORT TYPE	
REPORTING UNIT		UNIT PHONE #	COGNIZANT AUTHORITY	PERIOD COVERED	REGULAR [ ] RELIEF [ ] CORRECTED [ ] FINAL [ ]	CLOSING DATE
ITEM	NET WORTH	NET WORTH	NET WORTH	ITEM	ASSETS AND LIABILITIES	END OF PERIOD
1	NET WORTH BROUGHT FORWARD (ITEM 9 PREVIOUS REPORT)			10	CHECKING ACCOUNT BALANCE	
2	CGES FUNDING			11	CASH ACCOUNT/CASH ON HAND	
3	NET PROFIT MMR ACTIVITIES (SAME AS TOTAL ON CG-2985a BLK A-13)			12	SAVINGS ACCOUNT	
4	OTHER RECEIPTS/INCOME			13	* LOANS RECEIVABLE/ACCOUNTS RECEIVABLE	
5	TOTAL INCOME FOR PERIOD (ITEMS 2 THROUGH 4)	\$ 0 . 00		14	RESALE INVENTORY	
6	MORALE EXPENDITURES			15	TOTAL ASSETS (ITEMS 10 THROUGH 14)	\$ 0 . 00
7	LOSSES AND TRANSFERS			16	* ACCOUNTS PAYABLE/OTHER LIABILITIES	
8	TOTAL EXPENDITURES (ITEMS 6 PLUS 7)	\$ 0 . 00		17	NET WORTH END OF PERIOD (ITEM 15 LESS 16)	\$ 0 . 00
9	NET WORTH (ITEM 1 PLUS 6 LESS 8)	\$ 0 . 00		18	LOAN ACCOUNT SUMMARY LOANS RECEIVABLE BROUGHT FORWARD (ITEM 24 PREVIOUS REPORT)	AMOUNT
CERTIFICATIONS						
The accounts and records of the Morale Fund represented by this Financial Statement have been audited. The financial condition of the Morale Fund was found to be satisfactory and is fairly presented in this Financial Statement. The fiscal affairs of the Morale Fund were conducted in accordance with regulations and instructions. Exceptions if any, are noted in the attached report.						
DATE	CERTIFIED: AUDITOR			19	LOANS MADE THIS PERIOD	
DATE	SUBMITTED: FUND CUSTODIAN		MNR OFFICER/DIRECTOR	20	LOANS TO BE ACCOUNTED FOR (ITEM 18 PLUS 19)	\$ 0 . 00
DATE	APPROVED: COMMANDING OFFICER			21	LOAN REPAYMENTS RECEIVED THIS PERIOD	
				22	LOANS CANCELLED AS BAD DEBTS (INCLUDE IN ITEM 7)	
				23	TOTAL OF ITEMS 21 AND 22	\$ 0 . 00
				24	LOANS RECEIVABLE END OF PERIOD (ITEM 20 LESS 23)	\$ 0 . 00
				25	RECONCILIATION OF CHECKING ACCOUNT BANK BALANCE BY LATEST STATEMENT DATED:	
As of this date, I have relieved as Morale Fund Custodian. This financial statement and the supporting records fairly represent the condition of the Morale Fund. Exceptions if any, are noted in the attached report.						
DATE	RELIEVING CUSTODIAN			26	DEPOSITS ENTERED IN CHECKBOOK, NOT ON ABOVE STATEMENT	
				27	TOTAL OF ITEMS 25 AND 26	\$ 0 . 00
				28	OUTSTANDING CHECKS (DRAWN BUT NOT SHOWN ON BANK STATEMENT)	
				29	CHECK BOOK BALANCE END OF PERIOD (ITEM 27 LESS 28)	\$ 0 . 00

\* Itemize, with age of transaction, on the reverse.  
PREVIOUS EDITION IS OBSOLETE

RCS-G-WPX-5022

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-2985 (Rev. 03-03)		MORALE FUND FINANCIAL STATEMENT			REPORT TYPE	
REPORTING UNIT		UNIT PHONE #	COGNIZANT AUTHORITY	PERIOD COVERED	REGULAR [ ] RELIEF [ ]	CORRECTED [ ] FINAL [ ]
ITEM	NET WORTH	ASSETS AND LIABILITIES	END OF PERIOD			
1	NET WORTH BROUGHT FORWARD (ITEM 9 PREVIOUS REPORT)		\$10,000.00	CHECKING ACCOUNT BALANCE		\$1,005.00
2	CGES FUNDING		\$400.00	CASH ACCOUNT/CASH ON HAND		\$40.00
3	NET PROFIT MWR ACTIVITIES (SAME AS TOTAL ON CG-2985a BLK A-13)		\$117.00	SAVINGS ACCOUNT		\$0.00
4	OTHER RECEIPTS/INCOME		\$300.00	* LOANS RECEIVABLE/ACCOUNTS RECEIVABLE		\$750.00
5	TOTAL INCOME FOR PERIOD (ITEMS 2 THROUGH 4)		\$817.00	RESALE INVENTORY		\$607.00
6	MORALE EXPENDITURES		\$8,195.00	TOTAL ASSETS (ITEMS 10 THROUGH 14)		\$2,402.00
7	LOSSES AND TRANSFERS		\$270.00	* ACCOUNTS PAYABLE/OTHER LIABILITIES		\$50.00
8	TOTAL EXPENDITURES (ITEMS 6 PLUS 7)		\$8,465.00	NET WORTH END OF PERIOD (ITEM 15 LESS 16)		\$2,352.00
9	NET WORTH (ITEM 1 PLUS 5 LESS 8)		\$2,352.00	LOAN ACCOUNT SUMMARY		AMOUNT
CERTIFICATIONS				LOANS RECEIVABLE BROUGHT FORWARD (ITEM 24 PREVIOUS REPORT)		\$700.00
The accounts and records of the Morale Fund represented by this Financial Statement have been audited. The financial condition of the Morale Fund was found to be satisfactory and is fairly presented in this Financial Statement. The fiscal affairs of the Morale Fund were conducted in accordance with regulations and instructions. Exceptions if any, are noted in the attached report.				LOANS MADE THIS PERIOD		\$250.00
DATE	CERTIFIED: AUDITOR			LOANS TO BE ACCOUNTED FOR (ITEM 18 PLUS 19)		\$950.00
DATE	SUBMITTED: FUND CUSTODIAN			LOAN REPAYMENTS RECEIVED THIS PERIOD		\$100.00
DATE	APPROVED: COMMANDING OFFICER			LOANS CANCELLED AS BAD DEBTS (INCLUDE IN ITEM 7)		\$100.00
				TOTAL OF ITEMS 21 AND 22		\$200.00
				LOANS RECEIVABLE END OF PERIOD (ITEM 20 LESS 23)		\$750.00
				RECONCILIATION OF CHECKING ACCOUNT		
				BANK BALANCE BY LATEST STATEMENT DATED:		\$855.00
				DEPOSITS ENTERED IN CHECKBOOK, NOT ON ABOVE STATEMENT		\$400.00
				TOTAL OF ITEMS 25 AND 26		\$1,255.00
				OUTSTANDING CHECKS (DRAWN BUT NOT SHOWN ON BANK STATEMENT)		\$250.00
				CHECK BOOK BALANCE END OF PERIOD (ITEM 27 LESS 28)		\$1,005.00

PREVIOUS EDITION IS OBSOLETE

DEPARTMENT OF HOMELANDSECURITY U.S. COAST GUARD CG-2985A (Rev. 03-03)		OPERATING SUMMARY MWR ACTIVITIES										REPORT TYPE		
		ITEM	ACTIVITY	ACTIVITY BUDGET	ACTIVITY ACTUAL	ACTIVITY BUDGET	ACTIVITY ACTUAL	ACTIVITY BUDGET	ACTIVITY ACTUAL	ACTIVITY BUDGET	ACTIVITY ACTUAL	ACTIVITY ACTUAL	ACTIVITY ACTUAL TOTAL THIS PERIOD	BUDGET TOTAL THIS PERIOD
A-1	SALES											\$0.00	\$0.00	
A-2	BEG INV (ITEM A5 PREVIOUS RPT)											\$0.00	\$0.00	
A-3	PURCHASES (RESALE INVENTORY)											\$0.00	\$0.00	
A-4	INVENTORY LOSS											\$0.00	\$0.00	
A-5	ENDING INVENTORY											\$0.00	\$0.00	
A-6	COST OF GOODS (A2 + A3 - A5)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
A-7	GROSS PROFIT/LOSS (A1 - A6)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	<b>OPERATING EXPENSES</b>													
A-8	SALARIES											\$0.00	\$0.00	
A-9	EQUIPMENT/ FURNITURE											\$0.00	\$0.00	
A-10	SUPPLIES											\$0.00	\$0.00	
A-11	OTHER											\$0.00	\$0.00	
A-12	TOTAL EXPENSE (A8 THROUGH A11)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
A-13	NET PROFIT MWR ACTIVITY (A7 - A12)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
A-14	ACCOUNTS PAYABLE	N/A		N/A		N/A		N/A		N/A			N/A	\$0.00



DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-2985A (Rev. 03-03)		OPERATING SUMMARY MWR ACTIVITIES								QUARTER ENDING 4/99	REPORT TYPE REGULAR <input checked="" type="checkbox"/> REVISION <input type="checkbox"/> CORRECTED <input type="checkbox"/> FINAL <input type="checkbox"/>
ITEM	ACTIVITY	ACTIVITY BUDGET SODA MACHINE	ACTIVITY ACTUAL SODA MACHINE	ACTIVITY BUDGET VIDEO MACHINE	ACTIVITY ACTUAL VIDEO MACHINE	ACTIVITY BUDGET BOWLING LANE	ACTIVITY ACTUAL BOWLING LANE	BUDGET TOTAL THIS PERIOD	ACTIVITY ACTUAL TOTAL THIS PERIOD	PAGE 1 OF 2	
A-1	SALES	\$400.00	\$300.00	\$20.00	\$40.00	\$800.00	\$605.00	\$1,220.00	\$945.00		
A-2	BEG INV (ITEM A5 PREVIOUS RPT)		\$100.00				\$40.00		\$140.00		
A-3	PURCHASES (RESALE INVENTORY)		\$530.00				\$140.00		\$670.00		
A-4	INVENTORY LOSS		\$30.00						\$30.00		
A-5	ENDING INVENTORY		\$402.00				\$80.00		\$482.00		
A-6	COST OF GOODS (A2 + A3 - A5)	\$304.00	\$228.00			\$664.00	\$100.00	\$968.00	\$328.00		
A-7	GROSS PROFIT/LOSS (A1 - A6)	\$96.00	\$72.00	\$20.00	\$40.00	\$136.00	\$505.00	\$252.00	\$617.00		
	OPERATING EXPENSES										
A-8	SALARIES	\$26.00	\$20.00			\$107.00	\$400.00	\$133.00	\$420.00		
A-9	EQUIPMENT/ FURNITURE								\$0.00		
A-10	SUPPLIES					\$11.00	\$45.00	\$11.00	\$45.00		
A-11	OTHER								\$0.00		
A-12	TOTAL EXPENSE (A8 THROUGH A11)	\$26.00	\$20.00			\$118.00	\$445.00	\$144.00	\$465.00		
A-13	NET PROFIT MWR ACTIVITY (A7 - A12)	\$70.00	\$52.00	\$20.00	\$40.00	\$18.00	\$60.00	\$108.00	\$152.00		
A-14	ACCOUNTS PAYABLE	N/A	\$50.00	N/A		N/A		N/A	\$50.00		

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-2885A (Rev. 03-03)		OPERATING SUMMARY MWR ACTIVITIES							QUARTER ENDING 4/99	REPORT TYPE REGULAR <input checked="" type="checkbox"/> REVISION <input type="checkbox"/> CORRECTED <input type="checkbox"/> FINAL <input type="checkbox"/> PAGE 2 OF 2
ITEM	ACTIVITY	ACTIVITY BUDGET TICKET SALES	ACTIVITY ACTUAL TICKET SALES	ACTIVITY BUDGET GEAR LOCKER	ACTIVITY ACTUAL GEAR LOCKER	ACTIVITY BUDGET	ACTIVITY ACTUAL	BUDGET TOTAL THIS PERIOD	ACTIVITY ACTUAL TOTAL THIS PERIOD	
A-1	SALES	\$200.00	\$250.00	\$80.00	\$85.00			\$1,500.00	\$1,280.00	
A-2	BEG INV (ITEM A5 PREVIOUS RPT)		\$100.00						\$240.00	
A-3	PURCHASES (RESALE INVENTORY)		\$300.00						\$970.00	
A-4	INVENTORY LOSS								\$30.00	
A-5	ENDING INVENTORY		\$125.00						\$607.00	
A-6	COST OF GOODS (A2 + A3 - A5)	\$150.00	\$275.00					\$1,118.00	\$603.00	
A-7	GROSS PROFIT/LOSS (A1 - A6)	\$50.00	-\$25.00	\$80.00	\$85.00			\$382.00	\$677.00	
	OPERATING EXPENSES									
A-8	SALARIES							\$133.00	\$420.00	
A-9	EQUIPMENT/ FURNITURE				\$95.00				\$95.00	
A-10	SUPPLIES							\$11.00	\$45.00	
A-11	OTHER									
A-12	TOTAL EXPENSE (A8 THROUGH A11)				\$95.00			\$144.00	\$560.00	
A-13	NET PROFIT MWR ACTIVITY (A7 - A12)	\$50.00	-\$25.00	\$80.00	-\$10.00			\$238.00	\$117.00	
A-14	ACCOUNTS PAYABLE	N/A		N/A		N/A		N/A	\$50.00	



DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-4517 (Rev. 3-03)		MORALE FUND TRANSACTION ACCOUNTING SHEET										REPORTING UNIT		
(Year) DATE (MM/DD)	DESCRIPTION OF TRANSACTION	CGES FUNDS 2	OTHER RECEIPTS 4	EXPEN- DITURES 6	LOSSES/ TRANSF 7	SALES A-1	PURCHASES A-3	LOSS A-4	SALARY A-8	EQUIP. A-9	SUPPLIES A-10	OTHER EXPENSE A-11		
11/01	VENDING MACH. RECEIPTS					200.00								
11/02	SODA PURCHASE						300.00							
11/03	CANDY PURCHASE						230.00							
11/04	VENDING MACH. RECEIPTS					100.00								
11/05	SPOILED INVENTORY							30.00						
11/06	VENDING MACH. OPS SALARY								20.00					
11/07	VENDING MACH. PURCHASE			250.00										
11/08	VIDEO MACHINE RECEIPTS					40.00								
11/09	VIDEO MACHINE PURCHASE			150.00										
11/11	BOWLING LANE RECEIPTS					605.00								
11/12	GLOVE PURCHASE (RESALE)						140.00							
	<b>TOTAL</b>			400.00		945.00	670.00	30.00	20.00					

PREVIOUS EDITION IS OBSOLETE

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-4517 (Rev. 3-03)		MORALE FUND TRANSACTION ACCOUNTING SHEET										REPORTING UNIT		
(Year) DATE (MM/DD)	DESCRIPTION OF TRANSACTION	CGES FUNDS 2	OTHER RECEIPTS 4	EXPEND- ITURES 6	LOSSES/ TRANSF 7	SALES A-1	PURCHASES A-3	LOSS A-4	SALARY A-8	EQUIP. A-9	SUPPLIES A-10	OTHER EXPENSE A-11		
11/13	RESURFACE LANES			2,000.00										
11/14	PURCHASE CLEANING SUP.										45.00			
11/30	BOWLING LANE SALARIES								400.00					
12/01	TICKET SALES RECEIPTS					250.00								
12/02	RESALE TICKET PURCHASE						300.00							
12/04	GEAR LOCKER RECEIPTS					85.00								
12/07	REPLACE LOCKER ITEMS									95.00				
12/08	CGES FUNDING	400.00												
12/15	DONATIONS CG DAY PICNIC		100.00											
12/24	FURNITURE PURCHASE CLUB			4,230.00										
01/05	GIVEAWAY ITEM PURCHASE			150.00										
	<b>TOTAL</b>	400.00	100.00	6,380.00		335.00	300.00		400.00	95.00	45.00			

PREVIOUS EDITION IS OBSOLETE









**MORALE FUND REPORT CHECKLIST**

<u>Report</u>	<u>Due Date</u>
MWR Casualty/Liability (Form CG-5190)	As Required
Annual Audits	31 January
Annual Budgets	NLT 30 November
MWR Program Safety Inspection	Quarterly (Unit Retained)
Morale Fund Financial Statements	Quarterly or as Necessary
MWR Program Inspection Checklist	Annually (Unit Retained)
MWR User Survey	Every 3 Years (Unit Retained)

**Appendix Q. E-Mail Reporting Format**

TO COGNIZANT AUTHORITY

SUBJ: MORALE FUND FINANCIAL STATEMENT FOR 2ND QTR NAF YR XXXX

A. COMDTINST 1710.13 (SERIES)

1. 10,000.00
2. 400.00
3. 117.00
4. 300.00
5. 847.00
6. 8,195.00
7. 300.00
8. 8,498.00
9. 2,352.00
10. 1,005.00
11. 40.00
12. 0.00
13. 750.00
14. 607.00
15. 2,402.00
16. 50.00
17. 2,352.00
18. N/A
19. N/A
20. N/A
21. N/A
22. N/A
23. N/A
24. N/A
25. 855.00
26. 400.00
27. 1,255.00
28. 250.00
29. 1,005.00

Note: Morale Fund Loans are not authorized.

**Appendix R. Sample Successor Of Interest Letter**

1710  
(Date)

First Anywhere Bank  
Somewhere Branch  
Attn: Ronald Ray  
1000 Main Street  
Hometown, USA 00000-0000

Dear Sir/Madam:

The U.S. Coast Guard (NAME OF UNIT) Unit Morale Fund is established to promote the well being of the (NAME OF UNIT) officers, crew, dependents and others as directed by the Commandant, United States Coast Guard.

The Unit Morale Fund is nonprofit in nature and, as an instrumentality of the United States Government, is exempt from certain taxing authorities. It is administered by the Commanding Officer, (NAME OF UNIT) and those designated by him/her.

The Nonpay Compensation Program Board of Directors is the successor in interest to the Unit Morale Fund account and no responsibility will attach to (NAME OF BANK) after transfer of funds to or under order of this Board.

This serves only as notification of the successor to the account. No action is to be taken until directed by (NAME OF UNIT) or its successor.

R. R. ROCK  
Lieutenant  
U.S. Coast Guard  
By direction

Copy: CG CSC

**Appendix S. Audit Guide**

- A. Purpose. The purpose of this Audit Guide is to assist the command in obtaining some reasonable assurance that the MWR financial statements are free of material misstatements, and to determine if applicable regulations, policies, and procedures are being adhered to in the day-to-day operation of the morale fund. Although this Audit Guide will assist the auditor in conducting audits of the MWR fund, it should not be construed as all inclusive. Other tests, reviews, samples, and inspections may be required by the auditor in determining whether financial statements are free of material misstatements and whether the morale fund is complying with all applicable rules and regulations.
- B. General. The auditor shall become familiar with the provisions of this Manual before beginning the audit. The auditor shall not only verify the accuracy of the financial statements and supporting documents but shall also evaluate the internal controls and appraise the overall management of the fund. If the audit is performed by local command resources rather than an independently engaged CPA auditor, the individual shall sign in the appropriate block on the Morale Fund Financial Statement, CG-2985 and forward a copy of the completed form along with his/her memo report to the commanding officer. Wherever exceptions are noted, the auditor shall address the findings with recommendations in a memo attached to the audited report. The auditor may also use this memo to provide constructive comments or suggestions concerning the operation of the morale fund. If the MWR program is not using the Morale Fund Financial Statement, CG-2985 and Operating Summary MWR Activities, CG-2985A in its morale program, the audit is conducted on the balance sheet and income statement accounts for the accounting system utilized.
- C. Records and Transactions.
1. Verify that the beginning net worth amount as listed on the Morale Fund Financial Statement, CG-2985 is the same as the ending net worth from the prior period.
  2. Trace revenue receipts with cash register receipts/sales slips, deposit tickets and the check register to ensure that cash received is being properly deposited. Verify any cash accounts and their authorization by the cognizant authority.
  3. Test expenditure records with canceled checks, payment card receipts, and check registers. If any cash account, including petty cash, is kept by the morale fund, receipt delivery tickets, invoices, or other evidence should be compared to the expenditure records.
  4. Reconcile bank statements to amounts identified in the appropriate blocks on the Morale Fund Financial Statement, CG-2985.
  5. Review the amount of total loans outstanding at the end of the last audit and all loans and repayments that have been made during the interim period. Total all loans receivable. Check to ensure that loans are within the contracted repayment schedules. It would not be inappropriate to contact, on a test basis, personnel with loans outstanding to verify the

current balance. Note: This program is no longer authorized and any loans shall have been issued before the date of the promulgation of this Manual.

6. Reconcile amounts listed as expenditures to the Morale Fund Financial Statement, CG-2985 with the check register, and any other supporting documentation.
7. For accounts payable, cite the aged schedule of payables by vendor. It would be appropriate to contact vendors to verify the accounts payable listed. For larger MWR programs with NAF employees, the auditor should determine if accrued personnel expenses are being properly recorded as "Other Liabilities."
8. For accounts receivable cite the aged schedule of receivable by source. Determine if any accounts have been written off as bad debt during the period. Determine what action the MWR officer/director has taken to collect receivables outstanding in excess of thirty days.
9. Whenever possible, the auditor should be on hand to verify the process used and the actual taking of the physical inventory. Any ending inventory values identified on the Morale Fund Transaction Accounting Sheet, CG-5017 should be reconciled to the actual physical, resale inventory.
10. Analyze losses and transfers reported.
11. Note changes in the net profit of any Category B and C Activities reported from the last period. Identify causes of the change.
12. Complete Appendix C., MWR Program Inspection Checklist.

**Appendix T. MWR User Survey**

Unit Name \_\_\_\_\_

Date \_\_\_\_\_

1. This survey provides a way to assess how MWR is meeting your needs and interests. Your input will play a very important part in planning future MWR activities. Please answer each question and return the completed survey to your MWR Officer/Director no later than \_\_\_\_\_.

2. Importance of MWR Facilities/Service. Please enter the appropriate number to indicate how important these MWR facilities/services are to you.

5 - Very Important

4 - Important

3 - Neither

2 - Unimportant

1 - Very unimportant

a. \_\_\_ Fitness Center (e.g. weight training, cardiovascular equipment, aerobics classes, etc.)

b. \_\_\_ Library services

c. \_\_\_ Gym (e.g. basketball, volleyball, racquetball, etc.)

d. \_\_\_ Fast food

e. \_\_\_ Playing fields (e.g. softball, soccer, tennis courts)

f. \_\_\_ Information, tickets, and tours (e.g. entertainment tickets, tickets for tours, etc.)

g. \_\_\_ Bar, lounge, and entertainment

h. \_\_\_ Swimming pool

i. \_\_\_ Golf

j. \_\_\_ Full service dining

k. \_\_\_ Intramural sports (e.g. base leagues)

l. \_\_\_ Catering

m. \_\_\_ Outdoor recreation areas (e.g. campgrounds, picnic areas)

n. \_\_\_ Special events (e.g. festivals, concerts)

- o. \_\_\_ Marina services (e.g. slip rentals, pro shop)
  - p. \_\_\_ Recreation Center (e.g. "rec room," music/tv)
  - q. \_\_\_ Youth recreation program (e.g. sports, center/teen activities, day camps)
  - r. \_\_\_ Game room/amusement machines
  - s. \_\_\_ Movie theater (paid admission)
  - t. \_\_\_ Outdoor recreation equipment rental (e.g. tents, boats)
  - u. \_\_\_ Auto skills center
  - v. \_\_\_ Sailing programs/lessons
  - w. \_\_\_ Child development center
  - x. \_\_\_ Bowling
  - y. \_\_\_ On-base free movies
  - z. \_\_\_ Crafts and hobby programs
3. Use of MWR Facilities/Service. Please enter the appropriate number to indicate how frequently you use each facility listed.
- 5 - Daily
  - 4 - Few times a week
  - 3 - Few times a month
  - 2 - Few times a year
  - 1 - Never
  - 0 - Not available
- a. \_\_\_ Fitness Center (e.g. weight training, cardiovascular equipment, aerobics classes, etc.)
  - b. \_\_\_ Library services
  - c. \_\_\_ Gym (e.g. basketball, volleyball, racquetball, etc.)
  - d. \_\_\_ Fast food
  - e. \_\_\_ Playing fields (e.g. softball, soccer, tennis courts)
  - f. \_\_\_ Information, tickets, and tours (e.g. entertainment tickets, tickets for tours, etc.)
  - g. \_\_\_ Bar, lounge, and entertainment
  - h. \_\_\_ Swimming pool

- i. \_\_\_ Golf
  - j. \_\_\_ Full service dining
  - k. \_\_\_ Intramural sports (e.g. base leagues)
  - l. \_\_\_ Catering
  - m. \_\_\_ Outdoor recreation areas (e.g. campgrounds, picnic areas)
  
  - n. \_\_\_ Special events (e.g. festivals, concerts)
  - o. \_\_\_ Marina services (e.g. slip rentals, pro shop)
  - p. \_\_\_ Recreation Center (e.g. "rec room," music/tv)
  - q. \_\_\_ Youth recreation program (e.g. sports, center/teen activities, day camps)
  - r. \_\_\_ Game room/amusement machines
  - s. \_\_\_ Movie theater (paid admission)
  - t. \_\_\_ Outdoor recreation equipment rental (e.g. tents, boats)
  - u. \_\_\_ Auto skills center
  - v. \_\_\_ Sailing programs/lessons
  - w. \_\_\_ Child development center
  - x. \_\_\_ Bowling
  - y. \_\_\_ On-base free movies
  - z. \_\_\_ Crafts and hobby programs
  - aa. \_\_\_ Group fitness classes
4. Why you use Coast Guard MWR. Select the number(s) which best describe your reasons for using MWR.
- 5 - Strongly agree
  - 4 - Agree
  - 3 - Neither agree nor disagree
  - 2 - Disagree
  - 1 - Don't know/NA
- a. \_\_\_ Costs less than off-base



- b. \_\_\_ Only facilities available
  - c. \_\_\_ More convenient than off-base
  - d. \_\_\_ Better quality than off-base
  - e. \_\_\_ Better value than off-base
  - f. \_\_\_ More secure than off-base
  - g. \_\_\_ Socialize with friends
  - h. \_\_\_ Socialize with co-workers
5. Quality of Coast Guard MWR. Select the number which best describes your overall rating of the three MWR areas listed below:
- 5 - Much better than expected
  - 4 - Better than expected
  - 3 - As expected
  - 2 - Worse than expected
  - 1 - Much worse than expected
  - 0 - Don't know/NA
- a. \_\_\_ MWR facilities
  - b. \_\_\_ MWR services/programs
  - c. \_\_\_ MWR customer service
6. Improvements to Coast Guard MWR Facilities. Indicate if your use of Coast Guard MWR facilities would increase if the following improvements were made.
- 5 - Definitely would increase
  - 4 - Would increase
  - 3 - Neither (no change)
  - 2 - Would not increase
  - 1 - Definitely would not increase
  - 0 - Don't know/NA
- a. \_\_\_ Cleanliness of facilities
  - b. \_\_\_ Maintenance of facilities/equipment
  - c. \_\_\_ Layout of facilities/equipment
  - d. \_\_\_ Atmosphere of facility

- e. \_\_\_ Variety of equipment
  - f. \_\_\_ Availability of equipment
  - g. \_\_\_ Quality of equipment
  - h. \_\_\_ Parking
  - i. \_\_\_ Handicap accessibility
7. Improvements to Coast Guard MWR Services. Indicate by using the numbers below if your use of MWR services would increase if the following improvements were made:
- 5 - Definitely would increase
  - 4 - Would increase
  - 3 - Neither (no change)
  - 2 - Would not increase
  - 1 - Definitely would not increase
  - 0 - Don't know/NA
- a. \_\_\_ Hours open
  - b. \_\_\_ Days open
  - c. \_\_\_ Speed of service
  - d. \_\_\_ Costs for what you get (value)
  - e. \_\_\_ Variety of classes/instruction
  - f. \_\_\_ Quality of classes/instruction
  - g. \_\_\_ Knowledgeable employees
  - h. \_\_\_ Responsive employees
  - i. \_\_\_ Handling of problems
  - j. \_\_\_ Waiting time/lists
  - k. \_\_\_ Advertising/promotion
  - l. \_\_\_ Variety of entertainment
  - m. \_\_\_ Quality of entertainment
8. New Coast Guard MWR Activities. Indicate with a Y (Yes) or N (No) which activities you would regularly use if they were available to you.

- a. \_\_\_ Musical instrument playing/instruction
- b. \_\_\_ Rollerblading
- c. \_\_\_ Video games
- d. \_\_\_ Step aerobics
- e. \_\_\_ Concerts
- f. \_\_\_ Rifle/pistol range
- g. \_\_\_ Biking
- h. \_\_\_ Billiards
- i. \_\_\_ Computers
- j. \_\_\_ Internet access
- k. \_\_\_ Personal trainer
- l. \_\_\_ Camping
- m. \_\_\_ Hiking
- n. \_\_\_ Off-base trips
- o. \_\_\_ Photography
- p. \_\_\_ Playing cards
- q. \_\_\_ Martial arts
- r. \_\_\_ Wind surfing
- s. \_\_\_ Snorkeling
- t. \_\_\_ Café/coffee house
- u. \_\_\_ Sailing
- v. \_\_\_ Paintball/war games
- w. \_\_\_ Laser tag
- x. \_\_\_ Rock climbing
- y. \_\_\_ River rafting

- z.  Fishing
- aa.  Other (Your suggestion) \_\_\_\_\_

9. Satisfaction with Coast Guard MWR. Indicate how much you agree or disagree with the following statements by using the numbers below:

- 5 - Strongly agree
- 4 - Agree
- 3 - Neither agree nor disagree
- 2 - Disagree
- 1 - Strongly disagree
- 0 - Don't know/NA

- a.  I am satisfied with MWR facilities/services.
- b.  I will continue to use MWR facilities/services.
- c.  I would recommend MWR facilities/services to others.
- d.  MWR improves the quality of life for me/my family.
- e.  MWR improves my readiness.
- f.  MWR increases my desire to remain in the Coast Guard.

10. Access to MWR Program Information.

- a. Do you have computer access to the Internet?

- Yes, access through work computer
- Yes, access through home computer
- No

- b. If you have Internet access, what type of information do you currently look for? (Check all that apply)

- Work-related information
- Entertainment information
- Travel information
- News

\_\_\_ Sports-related information

\_\_\_ Other \_\_\_\_\_

11. Please list any comments or recommendations you have regarding the MWR program at your unit.

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12. Please check appropriate box:

- a. \_\_\_ Active duty
- b. \_\_\_ Dependent
- c. \_\_\_ Civilian
- d. \_\_\_ Retired
- e. \_\_\_ Reserve
- f. \_\_\_ Other Identify:

13. Please list any comments about patron fees and hours of operations you have regarding the MWR program at your unit to include CDCs.

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**Appendix U. MWR Standard Charts Of Accounts**

<b>Acct #</b>	<b>Acct Name</b>	<b>Acct Type</b>	<b>Detail Type</b>	<b>Group</b>	<b>Descriptions of General Ledger Chart of Accounts</b>
10000	Checking Account(s)	Bank	Checking	Assets	Record all cash receipts and check disbursements from financial institutions, such as banks or credit unions.
10030	Change Fund Location (s)	Bank	Cash on hand	Assets	Record the amount of funds used to make change in daily operations.
10070	Petty Cash Fund Location(s)	Bank	Cash on hand	Assets	Record the amount of funds used for small purchases kept on hand.
10100	Undeposited Funds	Bank	Cash on hand	Assets	Record the amount of cash or cash equivalence yet to be deposited in the bank.
10110	Savings Account(s)	Bank	Savings	Assets	Record cash in interest bearing savings accounts not needed immediately for daily operations, but readily available.
10200	Marketable Securities Account (s)	Bank	Investments - Other	Assets	Record the cost of CDs and other money market instruments that can be converted into cash quickly at a reasonable price.
12100	Prepaid Supplies and Equipment	Other Current Assets	Prepaid expenses	Assets	Record the cost of payments made in advance for supplies and equipment.
12110	Prepaid Maintenance and Repair	Other Current Assets	Prepaid expenses	Assets	Record the cost of payments made in advance for maintenance and repair.

12120	Other Prepaid Expenses	Other Current Assets	Prepaid expenses	Assets	Record all prepaid expenses that can not be properly recorded in another prepaid expense
13010	Accounts Receivables	Accounts Receivable (A/R)	Accounts Receivable (A/R)	Assets	Record payments due from customers or others.
13100	Other Receivables	Accounts Receivable (A/R)	Accounts Receivable (A/R)	Assets	Record other receivables for which an account has not been established.
13199	Allowance for Bad Debts	Other Current Assets	Allowance for Bad Debts	Assets	Record an estimate for the amount of accounts receivable that may be uncollectible.
13500	Food Inventory	Other Current Assets	Inventory	Assets	Record the cost of inventory held for sale in the normal course of business, at a particular point in time.
13510	Alcohol Inventory	Other Current Assets	Inventory	Assets	Record the cost of inventory held for sale in the normal course of business, at a particular point in time.
13520	Beverages Inventory	Other Current Assets	Inventory	Assets	Record the cost of inventory held for sale in the normal course of business, at a particular point in time.
13530	Resale Tickets Inventory	Other Current Assets	Inventory	Assets	Record the cost of inventory held for sale in the normal course of business, at a particular point in time.
13540	Resale Merchandise Inventory	Other Current Assets	Inventory	Assets	Other than food, liquor and beverages record the cost of inventory held for sale in the

					normal course of business, at a particular point in time.
14000	NAFI Titled – Furniture, Fixtures and Equipment	Fixed Assets	Fixed Asset Furniture	Assets	Record the cost of nonexpendable property. Optional Entry.
14010	NAFI Titled – Furniture, Fixtures and Equipment Accumulated Depreciation	Fixed Assets	Accumulated Depreciation	Assets	Record the cost of depreciation for furniture, fixtures and equipment. Optional Entry.
14020	NAFI Titled – Information Technology Assets	Fixed Assets	Fixed Asset Computers	Assets	Record the cost of software and hardware. Optional Entry.
14030	NAFI Titled – Information Technology Accumulated Depreciation	Fixed Assets	Accumulated Depreciation	Assets	Record the cost of depreciation for information technology. Optional Entry.
20000	Accounts Payable	Accounts Payable (A/P)	Accounts Payable (A/P)	Liabilities	Record invoices and other payments that are owed to vendors.
20010	Credit Card	Credit Card	Credit Card	Liabilities	Record charges made on MWR credit card.
21010	Wages & Salaries Payable	Other current liabilities	Other current liabilities	Liabilities	Record wages owed to employees for hours worked but not yet paid as of the date of the balance sheet.
21020	Payroll Taxes Payable	Other current liabilities	Payroll Tax Payable	Liabilities	Record costs for Federal Insurance Contributions Act (FICA) taxes withheld from employees' pay and accrued by the employer, as applicable, but not paid. And also Federal/State income taxes



21030	Tips Payable	Other current liabilities	Undistributed Tips	Liabilities	Record the tips earned by employees that are collected by the fund and owed to the employee.
21040	Retirement Payable	Other current liabilities	Payroll Clearing	Liabilities	Record deductions for retirement accounts such as 401K (3rd party administered programs/does not include self-administered). Also record the amount payable for the employer share of retirement benefits payable.
21050	Garnishments Payable	Other current liabilities	Payroll Clearing	Liabilities	Record amounts owed to applicable court or other agency that has required funds to be withheld from an employee's paycheck.
21060	Employee Deductions Payable	Other current liabilities	Payroll Clearing	Liabilities	Record deductions for Combined Federal Campaign that are withheld, but not yet paid.
21070	Insurance Payable	Other current liabilities	Insurance Payable	Liabilities	Record insurance accrued and due for employee benefits; including group life and health insurance.
21080	Unemployment Insurance Payable	Other current liabilities	Insurance Payable	Liabilities	Record the total amount owed to the Department of Labor for unemployment compensation.
21090	Other Employee Benefits Payable	Other current liabilities	Other current liabilities	Liabilities	Record costs such as COLA, living and quarters allowance, uniform allowances, retroactive pay and benefits, unclaimed wages, bank fee reimbursement

					payables, separation allowance payables, pay bonuses, training and travel, severance benefits, tuition reimbursements, EAP (Employee Assistance Program) expenses, training/professional development expenses, professional membership fees and awards.
21100	Other Employee Payables	Other current liabilities	Other current liabilities	Liabilities	Record expenses that cannot properly be recorded in other current liability accounts.
23000	Workers' Compensation Liability	Other current liabilities	Other current liabilities	Liabilities	Record any probable contingent liability related to workers' compensation claims.
23010	Annual Leave Accrual	Other current liabilities	Other current liabilities	Liabilities	Record the cost of leave accrued but not yet taken for all full time and part time employees.
23020	Other Accrued Expenses	Other current liabilities	Other current liabilities	Liabilities	Record the cost of accruals that cannot properly be recorded in other accounts.
24100	Advance Deposits	Other current liabilities	Other current liabilities	Liabilities	Record the amount of fees paid in advance (i.e. lodging, facility rental, storage lots).
24110	Special Event Advance Ticket Sales	Other current liabilities	Other current liabilities	Liabilities	Record the revenue for tickets sold in advance of an event as a liability until the event occurs.
24120	Other Unearned Income	Other current liabilities	Other current liabilities	Liabilities	Record income received which has not yet been earned that can not be recorded in other accounts.

30000	MWR Retained Earnings	Equity	Owner's Equity	Net Worth/Equity	Record the net profit or loss annually at the fiscal year end.
30010	Other Equity or Earnings	Equity	Owner's Equity	Net Worth/Equity	Record other equity or earning transactions that are not properly recordable to another account.
40000	Sales/Activity Income	Income	Service/fee income	Income	Shall designate a Class (Cat A, B or C activity) when posting transactions to this account (See authorized Class List of Named Activities).
40001	Food Sales	Income	Sales	Income	Shall designate a Class (Cat A, B or C activity) when posting transactions to this account (See authorized Class List of Named Activities).
40002	Alcohol Sales	Income	Sales	Income	Shall designate a Class (Cat A, B or C activity) when posting transactions to this account (See authorized Class List of Named Activities).
40003	Beverage Sales	Income	Sales	Income	Shall designate a Class (Cat A, B or C activity) when posting transactions to this account (See authorized Class List of Named Activities).
40004	Resale Tickets Sales	Income	Sales	Income	Shall designate a Class (Cat A, B or C activity) when posting transactions to this account (See authorized Class List of Named Activities).

40010	Concessions Sales	Income	Sales	Income	Record the cost of fees for vending machines, restaurants, snack bars, and such, operated under a concessionaire contract. Also record the fees from hotels, leisure travel, etc. for referrals and bookings.
40020	Amusement/Arcade Games	Income	Service/fee income	Income	Record the revenue earned from MWR/NAFI controlled amusement machines.
40030	Coast Guard Day	Income	Service/fee income	Income	Record income received from Coast Guard Day event.
40040	Rentals and Usage Fee	Income	Service/fee income	Income	Record income for use of facilities and equipment.
40050	Entertainment	Income	Service/fee income	Income	Record income received from the sale of entertainment.
40060	Organized Sports	Income	Service/fee income	Income	Record income received from team entry fees.
40070	Other Operating Income	Income	Service/fee income	Income	Record income received that cannot properly be recorded in any other operating income account.
40080	Commercial Sponsorship	Income	Other Primary Income	Income	Record the cash or checks received from commercial sponsors for MWR events, functions, or promotions.
50000	Wages & Salaries	Expenses	Payroll Expenses	Expenses	Record the cost of gross salaries and wages paid.
50100	Employer FICA	Expenses	Payroll Expenses	Expenses	Record the cost of employer share of FICA taxes.

50110	Employer Insurance	Expenses	Payroll Expenses	Expenses	Record the cost of employer share of premiums paid to cover such but not limited to medical, life and health insurance.
50120	Retirement	Expenses	Payroll Expenses	Expenses	Record accrued costs due or paid, such as 401K payments (3rd party administered programs/does not include self-administered).
50130	Unemployment	Expenses	Payroll Expenses	Expenses	Record the cost of NAFI's Unemployment Compensation cost for employees.
50140	Workers' Compensation	Expenses	Payroll Expenses	Expenses	Record the cost of NAFI's Worker's Compensation cost for employees.
50150	Background Check Fee	Expenses	Payroll Expenses	Expenses	Record the cost paid for employee background checks.
50160	Other Employee Benefits	Expenses	Payroll Expenses	Expenses	Record costs such as COLA, living and quarters allowance, uniform allowances, retroactive pay and benefits, unclaimed wages, bank fee reimbursement payables, separation allowance payables, pay bonuses, training and travel, severance benefits, tuition reimbursements, EAP (Employee Assistance Program) expenses, training/professional development expenses, professional membership fees and awards.

50170	Other Expenses to Employees	Expenses	Payroll Expenses	Expenses	Record the cost of employee related expenses that cannot properly be recorded in another account.
51000	Food COGS	Cost of Goods Sold	Supplies & Materials - COGS	Expenses	Record cost paid for merchandise sold. Shall designate a Class when posting transactions to this account (See authorized Class List of Named Activities).
51010	Alcohol COGS	Cost of Goods Sold	Supplies & Materials - COGS	Expenses	Record cost paid for merchandise sold. Shall designate a Class when posting transactions to this account (See authorized Class List of Named Activities).
51020	Beverages COGS	Cost of Goods Sold	Supplies & Materials - COGS	Expenses	Record cost paid for merchandise sold. Shall designate a Class when posting transactions to this account (See authorized Class List of Named Activities).
51030	Resale Tickets COGS	Cost of Goods Sold	Supplies & Materials - COGS	Expenses	Record cost paid for merchandise sold. Shall designate a Class when posting transactions to this account (See authorized Class List of Named Activities).
51040	Resale Merchandise COGS	Cost of Goods Sold	Supplies & Materials - COGS	Expenses	Record cost paid for merchandise sold. Shall designate a Class when posting transactions to this account (See authorized Class List of Named Activities).

51050	Inventory Shrink	Cost of Goods Sold	Supplies & Materials - COGS	Expenses	Deduct the cost of food and bar items or other resale merchandise broken, spoiled or obsolescence from cost of goods sold.
51060	Cash Over/Short	Cost of Goods Sold	Supplies & Materials - COGS	Expenses	Record the amount that the cash register is over or short on cash after daily sales close.
53000	Contract Services	Expenses	Other Miscellaneous Service Cost	Expenses	Record the cost for all services performed on contract or agreement.
53010	Supplies	Expenses	Supplies & Materials	Expenses	Record the cost of supplies and materials that are ordinarily consumed or expended.
53020	Facilities maintenance and repair	Expenses	Repair & Maintenance	Expenses	Record cost incurred for parts and services required to keep facilities in proper functioning capacity.
53030	Equipment maintenance and repair	Expenses	Repair & Maintenance	Expenses	Record cost incurred for parts and services required to keep equipment in proper functioning capacity.
53040	Laundry and Dry Cleaning	Expenses	Repair & Maintenance	Expenses	Record the cost for the cleaning linens, uniforms, and such.
53050	Decorations	Expenses	Office/General Administrative Expenses	Expenses	Record cost associated with seasonal or situational decorating.
53060	Uniforms	Expenses	Office/General Administrative Expenses	Expenses	Record cost associated with uniform purchases.
53080	Janitorial Services	Expenses	Office/General Administrative Expenses	Expenses	Record cost associated with cleaning and sanitation services.
53100	Postage and Shipping	Expenses	Office/General Administrative Expenses	Expenses	Record costs associated with postage and shipping or freight

53110	Dues and subscriptions	Expenses	Dues & Subscriptions	Expenses	Record cost associated with various dues or subscriptions.
53120	Cable TV/Internet	Expenses	Utilities	Expenses	Record the cost of cable TV and internet services purchased.
53125	Communication	Expenses	Advertising/Promotional	Expenses	Record the cost for commercial communication services incurred for customer paid services provided.
53130	Concessions Expense	Expenses	Other Miscellaneous Service cost	Expenses	Record the cost associated with concessionaire agreements.
53140	Amusement/Arcade Games Expense	Expenses	Other Miscellaneous Service cost	Expenses	Record the cost associated with MWR/NAFI controlled amusement machines.
53150	Coast Guard Day Expense	Expenses	Other Miscellaneous Service cost	Expenses	Record the cost associated with Coast Guard Day.
53160	Organized Sports Expense	Expenses	Other Miscellaneous Service cost	Expenses	Record cost associated with sports competitions including sports officials.
53170	Liability Insurance Premium	Expenses	Insurance	Expenses	Record the cost of premiums paid for NAF liability insurance coverage.
53200	Training	Expenses	Other Business Expenses	Expenses	Record the cost of training employees.
53210	Travel	Expenses	Travel	Expenses	Record the cost of travel by NAF employees as authorized by Policy.
53220	Transportation	Expenses	Travel	Expenses	Record the cost of transportation services.
53230	Advertising and Promotion	Expenses	Advertising/Promotional	Expenses	Record the cost for general advertising and advertising for



					special events and sales.
53240	Holiday Parties	Expenses	Other Miscellaneous Expense	Expenses	Record cost associated with holiday parties.
53245	Entertainment	Expenses	Entertainment	Expenses	Record the cost of general entertainment activities.
53250	Credit Card Fees	Expenses	Bank Charges	Expenses	Record the cost charged by commercial credit card companies for handling patron credit card charge sales.
53260	Bad debt expense	Expenses	Bad Debts	Expenses	Record the provision for the allowance for bad debts (estimated amount of accounts receivable that is expected to be uncollectible)
53270	Other Operating Expenses	Expenses	Other Business Expenses	Expenses	Record the amount of expenses that cannot properly be recorded in other expense accounts.
54000	NAFI Titled – Furniture, Fixture and Equipment Depreciation Expense	Other Expense	Depreciation	Expenses	Record the amount of depreciation expense for furniture, fixtures, and equipment capitalized by the fund.
54010	NAFI Titled – Information Technology Depreciation Expense	Other Expense	Depreciation	Expenses	Record the amount of depreciation expense for information technology equipment capitalized by the fund.
60000	MWR morale fund distribution	Other Expense	Other Miscellaneous Expense	Expenses	Record the distribution amount of morale funds to other units.

60010	Capital Improvement	Other Expense	Other Miscellaneous Expense	Expenses	Record expenses associated with capital improvements such as furniture, equipment, information systems, minor and major construction, etc. (Use of this account would be considered a GAAP departure. If the Unit is recording in accordance with GAAP, then capital improvements should be capitalized)
60020	Other Non-operating Expense	Other Expense	Other Miscellaneous Expense	Expenses	Record the amount of nonoperating expense that cannot properly be recorded in other expense account, including unusual and infrequent items that are not expected to occur again.
70000	Commissions/Travel Rebates	Other Income	Other Miscellaneous Income	Income	Record income associated with commissions or travel rebates.
70010	Gifts	Other Income	Other Miscellaneous Income	Income	Record income associated with donations, charitable organizations, Shipmate funds, etc.
70020	CGES Profit Distribution	Other Income	Other Miscellaneous Income	Income	Record the amount of NAF funds received from the Coast Guard Exchange System for MWR morale fund distributions.
70030	APF to NAF Reimbursement Income	Other Income	Other Miscellaneous Income	Income	Record reimbursement income associated with NAF cost for APF goods/services rendered.

70040	Other Non-operating Income	Other Income	Other Miscellaneous Income	Income	Record the amount of income that cannot properly be recorded in another income account, including unusual and infrequent items that are not expected to occur again.
75000	Bank Interest Account Savings	Other Income	Interest Earned	Income	Record interest earned on bank deposits, securities, or other interest-bearing instruments.
75030	Bank Interest Account Checking	Other Income	Interest Earned	Income	Record interest earned on bank deposits, securities, or other interest-bearing instruments.
76000	Unrealized Gains/Losses	Other Income	Other Investment Income	Income	Record the market gain or loss on any investment account held by the MWR. Investments include marketable securities such as stocks, bonds, mutual funds.
76010	Realized Gains/Losses	Other Income	Other Investment Income	Income	Record the gain or loss realized upon selling any investment in marketable securities such as stocks, bonds, mutual funds, etc.