

MORALE, WELFARE, AND RECREATION (MWR)

Luncheons and Related Events to Recruit/Develop Commercial Sponsorship Support for MWR/Services Activities and Programs

This opinion is in response to your questions regarding an appreciation luncheon that was hosted by FSS Marketing at an installation club as a way of thanking commercial sponsors for their support of various MWR/Services programs/events during the past year. Besides the luncheon, plaques were apparently given to sponsors (the size of the plaque depended on the amount of sponsorship provided). What funds were used to pay for the luncheon and plaques was not mentioned but we assume the funding source was commercial sponsorship/NAFs.

We are not aware of any authority in AFI 34-201, *Use of Nonappropriated Funds*, to use NAFs to provide a luncheon or give plaques to sponsors as a means of saying "thank you" for past sponsorship support of MWR/Services events or programs. Sponsor benefits in the form of public recognition and advertising entitlements are usually provided prior to and during the sponsored activity or event. This guidance is provided in DoDI 1015.10, *Morale, Welfare and Recreation Programs*, E.11, and AFI 34-108, *Commercial Sponsorship and Sale of Advertising*, paragraph 2.3.4. and Atch 2, paragraph 5, that is contained in all standard commercial sponsorship agreements. Sponsor recognition is generally limited to the sponsor's name, logo, and/or a brief slogan. Event posters and banners identifying the sponsor may also be allowed. Verbal recognition at events may also be provided. The amount of recognition given also depends somewhat on the total value/amount of sponsorship support provided by the sponsor for MWR events and/or programs. See AFI 34-108 for more specific guidance regarding sponsor benefits and recognition.

DoD policy outlined in DoDI 1015.10, *Morale, Welfare and Recreation Programs*, E.11, paragraph 1.a., Commercial Sponsorship, provides that commercial sponsorship is authorized only for the support of DoD MWR programs. Paragraph 2.a., authorizes the solicitation of commercial sponsors to support MWR programs. It necessarily follows in our opinion that, since DoD policy authorizes MWR programs to solicit and obtain commercial sponsors to support MWR events and programs, reasonable expenditures associated with obtaining potential sponsors should be a legitimate business expense associated with the DoD and Air Force Commercial Sponsorship Program.

Unlike the Air Force Recruiting Service that has legislative authority for sponsoring recruiting events using APFs (*see* 37 U.S.C. 428), we are not aware of any statutory or fiscal law authority that would permit the expenditure of APFs to establish an expense account to help develop/recruit additional sponsorship support for MWR events and programs. However, as a valid marketing tool and legitimate NAF business expense, we perceive that it is legally permissible for MWR/Services marketing and commercial sponsorship program managers to have a monthly expense account funded with NAFs, to purchase meals and nonalcoholic beverages and associated promotional expenses when hosting potential sponsors or advertisers as a means to garner future support for installation MWR events and programs. If Clubs or other NAF venues are not readily available, commercial facilities could be used. The expense account

should not be used for the MWR program managers' meal/beverage. If approved by AF/A1S and the installation FSS, the expense account should be authorized for official business only with the potential of benefiting MWR programs. FSS Commanders can establish expense account total holding limits, meal amount limitations and account auditing requirements. In the absence of clear policy or AFI guidance on commercial sponsorship events to recruit/develop additional support for MWR programs, AFRSI 36-2001, *Recruiting Procedures for the Air Force*, paragraph 9.11., contains general information regarding the expenditure of funds for recruiting purposes at planned events that should be illustrative.

Since Commercial Sponsorship benefits our MWR programs and, because the purpose of these luncheon events would be to showcase the benefits of being a Commercial Sponsor, these events would seem to be a prudent and reasonable business practice. Army MWR AR 215-1, *Military Morale, Welfare and Recreation Programs and Nonappropriated Fund Instrumentalities*, paragraph 11.16., authorizes the creation of expense accounts using NAFs to support these types of endeavors in order to secure additional support for MWR programs. We perceive that Air Force MWR programs also stand to benefit from adopting a similar practice. However, in the absence of clear policy or AFI guidance on this issue, we recommend that your FSS forward any future requests of this nature through Services channels for a decision by AF/A1S.

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