DEPARTMENT OF DEFENSE
HEADQUARTERS, UNITED STATES MILITARY ENTRANCE PROCESSING COMMAND
2834 GREEN BAY ROAD, NORTH CHICAGO, ILLINOIS 60064-3094

USMEPCOM Regulation
No. 215-1

22 October 1999

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Morale, Welfare, and Recreation
AMUSEMENT VENDING MACHINE FUND

FOR THE COMMANDER:

OFFICIAL:

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Colonel, USA
Deputy Commander/Chief of Staff

/SIGNED/
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DISTRIBUTION:
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Summary. This regulation prescribes policies and procedures for of the United States Military Entrance Processing Command's (USMEPCOM) Amusement Vending Machine Fund (AVMF). It establishes the use of USMEPCOM Form 215-1-4-R-E (Shared Cost Collection Roster), USMEPCOM Form 215-1-5-R-E (Certificate of Fund Transfer), USMEPCOM Form 215-1-6-R-E (Petty Cash Disbursement Roster), and USMEPCOM Form 215-1-7-R-E (Stamp Control Log).

Applicability. This regulation applies to USMEPCOM AVMF activities at all levels.

Supplementation. Supplementation of this regulation and establishment of forms other than USMEPCOM forms, is prohibited without prior approval from Headquarters, United States Military Entrance Processing Command (HQ USMEPCOM), ATTN: MRM-FP, 2834 Green Bay Road, North Chicago, IL 60064-3094.

Interim changes. Interim changes to this regulation are not official unless they are authenticated by Director, Information Management Directorate, HQ USMEPCOM. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

Management control process. This regulation is subject to the requirements of USMEPCOM Reg 11-4 (Management Control). It contains a management control evaluation checklist in appendix B.

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*This regulation supersedes USMEPCOM Reg 215-1, 10 March 1995; IMC 1, 12 July 1995; IMC 2, 12 December 1995; IMC 3, 7 June 1996; IMC 4, 28 June 1996; and IMC 5, 9 October 1996.

Suggested improvements. The proponent agency of this regulation is HQ USMEPCOM, Resource Management Directorate, Financial Policy and Systems Division (MRM-FP). Users will send comments and suggested improvements by memorandum or Department of the Army (DA) Form 2028 (Recommended Changes to Publications and Blank Forms) to HQ USMEPCOM, ATTN: MRM-FP, 2834 Green Bay Road, North Chicago, IL 60064-3094.

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Glossary

Chapter 1
General

1-1. Purpose

a. This regulation establishes policies, procedures, and responsibilities for USMEPCOM activities and AVMF program.

b. This regulation is the sole authority governing the operation of AVMF. It is geared towards the specific requirements of managing the AVMF at all echelons of USMEPCOM and consolidates the guidance and main points of the AR 215-series that are applicable to the USMEPCOM AVMF Program. This regulation complies with the intent of the Morale, Welfare, and Recreation (MWR) Program, is flexible, and meets the unique needs of our organization while maintaining strict financial controls.

c. The USMEPCOM AVMF Program is a Quality of Life Program that directly supports morale by providing a variety of community, service member, and family support activities.

d. The AVMF Program:

(1) Provides quality of life, leisure time activities commensurate with generally accepted family values.

(2) Promotes and maintains mental and physical well being of authorized personnel.

(3) Fosters the service member's morale and promotes unity within the military entrance processing station (MEPS).

1-2. References

Required and related publications, required and prescribed forms, and prescribed file numbers are listed in appendix A.

1-3. Abbreviations and terms

Abbreviations and special terms used in this regulation are defined in the glossary.

1-4. Responsibilities

a. Director, Resource Management is responsible for:

(1) Providing policy guidance to HQ USMEPCOM, sectors, and MEPS personnel.

(2) Discussing any significant AVMF issues with the respective commander.

(3) Conducting training assistance visits.

(4) Conducting 3-year revalidation reviews.

(5) Conducting command-directed audits or revalidation.

(6) Conducting a review and issuing a report of findings NLT 30 days following suspension and returning all documentation to the MEPS.

(7) Conducting a revalidation visit to the MEPS, within 60-90 days following receipt of corrective action (when necessary) in conjunction with the sector.

(8) Conducting AVMF Manager's Training Course.

b. The Inspector General (IG) is responsible for:

(1) Conducting on-site inspection of each AVMF using the checklist in appendix B.

(2) Suspending accounts that do not pass all critical areas identified in appendix B.

(3) Discussing significant AVMF issues with the respective sector commander and MRM-FP.

c. The Director, Internal Review (IR) is responsible for conducting compliance audits.

d. Sector commanders are responsible for:

(1) Reviewing and suspending accounts that do not pass all critical areas.

(2) Reviewing reports of the investigating officer to determine pecuniary liability and authorize, with or without formal investigation, the relief of individuals from accountability and responsibility for AVMF property and other assets.

(3) Recommending approval or disapproval for all exception to policy memorandums submitted by the MEPS prior to submission to MRM-FP.

e. MEPS commanders are responsible for:

(1) Ensuring all AVMF appointments are in writing.

(2) Appointing an AVMF manager.

(3) Ensuring the AVMF manager attends the AVMF Course within 120 days of initial appointment or at the earliest possible date.

(4) Appointing an assistant AVMF manager.

(5) Appointing an AVMF council.

(6) Appointing an AVMF committee.

(7) Appointing the AVMF committee president from the MEPS personnel.

(8) Conducting a command quarterly review of AVMF documents.

(9) Ensuring all deficiencies from the previous staff assistance visit (SAV)/ training assistance visit (TAV), MIG, MIR, and revalidation review are corrected.

(10) Signing AVMF council actions as the approving official.

(11) Ensuring the AVMF warranted contracting officer (WCO), is nominated and passes the AVMF Warranted Contracting Officer's correspondence course at least 30 days prior to the requesting termination of the current WCO.

f. AVMF manager is responsible for:

(1) Legal and fiduciary responsibility for all AVMF matters and issues.

(2) Receiving, safeguarding, and accounting for all monies and assets prescribed in this regulation.

(3) Carrying out policies in accordance with this regulation.

(4) Ensuring all required AVMF forms in binders 1 and 2 are properly completed and maintain accountability for AVMF owned property and assets.

(5) Conducting quarterly AVMF reviews with the MEPS commander.

(6) Attending AVMF committee meetings as a nonvoting member, advisor, and recorder, and ensuring committee minutes are prepared and forwarded to the council for approval.

(7) Performing the duties of the contracting officer representative (COR).

(8) Ensuring a WCO is appointed by HQ USMEPCOM.

(9) Coordinating with the contracting officer at the purchasing and contracting office (PCO) on a new amusement or vending machine contract not later than 120 days before the expiration of the current contract.

(10) Conducting semiannual property inventories.

(11) Ensuring only the AVMF WCO or ordering officers make AVMF purchases.

(12) Preparing memorandums for record (MFR) for all unusual circumstances that occur.

(13) Ensuring the assistant AVMF manager is fully trained and able to manage the AVMF account in the absence of the manager.

(14) Completing USMEPCOM Form 215-1-5-R-E (Certificate of Fund Transfer).

(15) Ensuring all deficiencies are corrected from the last SAV/TAV, MIG, MIR, and revalidation review.

(16) Ensuring all accounting records are maintained in accordance with chapter 5.

(17) Evaluating the proposed annual AVMF budget for feasibility.

(18) Ensuring accurate preparation and timely submission of the annual insurance update and Randolph-Sheppard Act.

g. Assistant AVMF manager is responsible for:

(1) Assisting AVMF manager.

(2) Assuming the responsibilities of the AVMF manager when he or she is absent for more than 60 days.

h. WCO is responsible for:

(1) Completing all required contracting documentation for AVMF purchases less than **$5,000**.

(2) Appointing and supervising no more than five ordering officers.

(3) Ensuring all newly appointed ordering officers have read and are thoroughly familiar with chapter 3 of this regulation.

i. The AVMF committee is responsible for:

(1) Submitting a proposed annual budget, all planned activities, and recommended policies for guests to the AVMF council for approval.

(2) Assuming responsibility for execution of all council approved activities and policies.

j. The AVMF council is responsible for approving or disapproving each expenditure and recommendation of the AVMF committee.

1-5. Management control evaluation checklist

Department of the Army (DA) Form 11-2-R (Management Control Evaluation Certification Statement) will be used to document management control evaluations, see appendix B. For additional information on management controls, see USMEPCOM Reg 11-4 (Management Control).

Chapter 2
Legal Status

2-1. General

a. Each AVMF is legally constituted as an “Instrumentality of the United States.” Funds in AVMF accounts and AVMF property belong to the United States Government. The AVMF will have single title to all property purchased with AVMF resources.

b. Personal checking accounts will not be used to circumvent the use of the AVMF checking account. Property will not be “co-purchased" by the AVMF and individuals. AVMF assets will not be commingled with appropriated funds or property. The only exception is in instances when attendance at an AVMF event involves shared cost contributions.

c. Headquarters, sectors, and MEPS cannot have both an AVMF and unit Morale Welfare Recreation fund; AVMF has precedence.

d. MEPS are authorized an AVMF unless revoked or suspended by the USMEPCOM Commander, Inspector General, Internal Review, or sector commander. Upon suspension/ revocation, the suspending/ revoking authority will immediately notify HQ USMEPCOM, Resource Management Directorate, Financial Policy and Systems Division (MRM-FP), USMEPCOM of the action and its cause.

e. Each AVMF account will be officially designated with the name of the MEPS, for example:

Detroit MEPS Amusement Vending Machine Fund, an instrumentality of the U.S. Government.

2-2. Petty cash

For amusement and vending machines, the concessionaire contractor is solely responsible for providing a change machine or "change" to a disinterested person for the purpose of providing change to the users. The contractor will also be responsible for providing funds to a disinterested person for malfunctioning machines. The person charged with accounting for these funds will maintain USMEPCOM Form 215-1-6-R-E (Petty Cash Disbursement Roster) (fig. 2-1) that lists: the malfunctioning machine, the date paid, the amount paid, and the payee's printed name and payroll signature. The name and duty location of the disinterested person responsible for refunds will be posted on or near the contractor's machine(s). Any other change or petty cash funds are not authorized for AVMF. USMEPCOM Form 215-1-6-R-E may be obtained from the USMEPCOM Electronic Pubs/Forms Library and reproduced on 8 ½- by 11-inch plain white bond paper.

2-3. Taxes

a. AVMF concessionaires are private businesses and are not instrumentalities of the US Government. AVMF privilege and immunities herein do not apply to concessionaires. As instrumentalities of the US, AVMF funds are immune from directly imposed State and local taxes. If a tax is imposed upon a manufacturer or distributor doing business with the AVMF, which passes the tax along, there is no immunity and the tax must be paid.

b. Matters involving the attempt to impose taxes upon or to require collection of taxes by AVMF funds by a State, territory, or possession must be reported in detail to The Judge Advocate General of the Army (DAJA-KL). MEPS commanders having difficulty with local governments attempting to tax the AVMF fund will forward a memorandum describing the situation through the sector and the Director, Resource

Management, to the USMEPCOM Command Judge Advocate (MJA) for coordination with the U.S. Army Tax Advisor.

2-4. AVMF authorization

a. All elements of USMEPCOM are authorized an AVMF unless their authorization is revoked or suspended by the Commander, USMEPCOM. No organizational element of USMEPCOM will be allowed both an AVMF and a unit fund. An AVMF account has precedence over a unit fund. The AVMF will be officially designated with the name of the USMEPCOM organizational element; for example: Butte MEPS Amusement Vending Machine Fund, an instrumentality of the United States (U.S.).

b. When an AVMF account is suspended, the account will be immediately closed and all activity on the account will cease. The period of time for which the account will remain closed could be up to 90 days. MRM-FP will immediately conduct an audit of the account. There are two methods by which this audit can be accomplished:

(1) MRM-FP personnel could make an on site training and assistance inspection at the MEPS within 10 working days; or

(2) The suspended AVMF records could be mailed by certified mail to HQ USMEPCOM, ATTN: MRM-FP, 2834 Green Bay Road, North Chicago, Illinois 60064-3094, for a comprehensive audit. When this method is chosen, MRM-FP will have 30 working days to complete the audit.

2-5. Fraudulent acts

The AVMF manager maybe held financial liable for lost of funds, checks, and property, if personal misconduct, dishonesty, fraud, or negligence is established. Fraudulent acts include, but are not limited to the following:

a. The offer of or payment of bribes.

b. False statements, submission of false claims, and misuse of NAFI property.

c. The use of false weights or measures.

d. Deceit either by suppression of the truth or misrepresentation of a material fact.

e. Adulteration or substitution of material.

f. Falsification of records.

g. Arrangements for secret profit or commissions.

h. Unauthorized use of, irregularities in connection with, or improper accounting for an impress or petty cash fund and conspiracy.

PETTY CASH DISBURSEMENT ROSTER

For use of this form, see USMEPCOM Reg 215-1

1. Name of vendor:	2. Machine name/number:
June's Amusement and Vending Machines	Popeye's Video Game/12

3. PRINTED NAME OF RECIPIENT	4. SIGNATURE OF RECIPIENT	5. DATE RECEIVED	6. AMOUNT RECEIVED	7. DISINTERESTED PERSON'S PRINTED NAME/INITIALS	8. REMARKS
Sherri A. Doe	Sherri A. Doe	2 Oct 99	$0.40	Stan Green SG	
Jane B. Doe	Jane B. Doe	2 Oct 99	$0.30	June Wish JW	
John S. Some	John S. Some	7 Oct 99	$0.70	Doe Moore DM	
James M. Bee	James M. Bee	28 Oct 99	$0.50	Dan Ford DF	

9. Total amount disbursed:	10. On hand balance:
$1.90	$8.10

11. Signature of vendor representative:	12. Date:
August Doe	31 Oct 99

USMEPCOM Form 215-1-6-R-E, 1 Oct 99

Figure 2-1. Sample of a completed USMEPCOM Form 215-1-6-R-E

Chapter 3
AVMF Patronage

3-1. Beneficiary

A beneficiary is a recipient of the benefits purchased with AVMF income. Beneficiaries include:

a. Assigned or attached USMEPCOM military and civilian personnel.

b. The immediate family members of military and civilian personnel assigned to USMEPCOM including:

(1) A spouse of a military/civilian employee.

(2) An unmarried child of a sponsor, including an adopted child, stepchild, foster child, or ward, who:

(a) Has not passed his or her 21st birthday.

(b) Is incapable of self-support because of a mental or physical incapacity that existed before their 21st birthday, and is in fact dependent on the sponsor for over one-half of his or her support.

(c) Has not passed his or her 23rd birthday, is enrolled in a full-time course of study in an institution of higher learning approved by a Secretary of an executive department specified in 10 USC Section 1073, and is in fact dependent on the sponsor for over one-half of his or her support.

(3) A parent or parent-in-law of a sponsor who is dependent on the sponsor for one-half of their support and residing in the sponsor’s household.

3-2. Nonbeneficiary

a. Friends of the MEPS. The following groups may be invited to AVMF sponsored events: recruiter liaison, Red Cross volunteers, United Service Organizations (USO) volunteers, fee basis physicians, and other individuals who perform services that benefit the MEPS. The names of individuals holding such positions must be approved in the first AVMF committee meeting minutes of each fiscal year and updated/approved as needed.

b. Single USMEPCOM members’ guests. To encourage AVMF participation of single members of the MEPS, their guests may attend AVMF activities without personal cost if the following apply:

(1) Only one guest per single member is authorized at any one activity. There is no requirement that any particular single member's guest must be the same person on every occasion. Attendance may be extended to include children of the single member's guest if the AVMF event is family oriented.

(2) Geographical bachelor (i.e., married person not physically residing with his or her family) are considered single members.

(3) The sponsor of any guest of the AVMF is responsible for the guest's attendance and conduct. Should the guest be a "no show" at an AVMF activity for which AVMF has been used, the sponsor will be responsible for reimbursing the AVMF accordingly.

c. All others. Individuals, other than beneficiaries or those outlined in a or b above, may be invited to attend AVMF activities if the AVMF council approves such attendance. Such individuals must pay all costs.

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Chapter 4
Authorized and Unauthorized Expenditures

4-1. Collective benefit

a. MEPS commanders will ensure AVMFs are used for the collective benefit of all MEPS members. "Collective benefit" connotes an organizational benefit, and it is the basis for all AVMF expenditures. The majority of functions/activities must be of a nature to meet the needs of most of the members. However, some activities may be designed to meet the special interest needs of small groups that participate in limited events.

b. Expenditures will have an organizational theme that promotes a sense of belonging, identification with the MEPS, and contribute to an attitude of unity and cooperation.

c. Items or personal services will not be given to individuals, except in the case of competitive events. Items can be purchased for an organizational function or activity. Purchased goods and services must be in good taste. Most value for the AVMF dollar is a goal, so consider other available alternatives before selection.

d. AVMF will not be used for purchases authorized by appropriated funds.

4-2. Sources of income

The only authorized sources of income are:

a. Amusement and vending machines - commissions received from joint count of money contained in amusement and vending machines.

b. Bank interest - monthly interest accrued (noted on bank statements).

c. Travel rebates - rebates paid by travel agencies for unofficial, personal travel.

d. Shared cost - monies paid by beneficiaries to offset event costs.

e. Redistribution - proportionate share of Total AVMF Income.

f. Recycling - monies received from recycling programs.

g. Property sales - monies received from the sale of AVMF property.

h. Contributions - unsolicited property, money or services unconditionally offered by individuals, business firms, civilian organizations, benevolent and fraternal societies, or any association outside the military departments.

4-3. Shared cost

a. In the case of a shared cost transaction, the AVMF manager will collect and document all funds collected. A DA Form 2107 (Nonappropriated Fund Receipt and Disbursement Voucher) (see fig. 4-1) must include:

(1) Name and date of the event.

(2) Name and signature of the individual(s) participating in the event.

(3) Amount and type of payment (e.g., $1.50 cash or $1.50 check #*****).

(4) Date the amount was received.

(5) Date the funds were forwarded to the bank.

(For share cost events that involve a lot of personnel, one may use USMEPCOM Form 215-1-4-R-E (Shared Cost Collection Roster) (fig. 4-2). USMEPCOM Form 214-1-4-R-E may be obtained from the USMEPCOM Electronic Pubs/Forms Library and reproduced on 8 ½- by 11-inch plain white bond paper.

b. The AVMF Committee and Council will approve the total dollar amount for the shared cost event. The AVMF manager must account and document all income received. The AVMF Committee and Council must approve the refund of any money collected on a case-by-case basis. The committee may recommend and the council may approve reimbursement to the fund for individual(s) who fail to show up for the event. These minutes that require reimbursement must be posted and all individuals concerned must be notified of the reimbursement policy in advance, prior to the event.

c. No person or group of people will receive special privileges or prices. However, fund managers can tailor unique promotions to target special interest groups as a means of increasing participation. The key to applying this guidance is that AVMF committee elects to use a sliding scale for specific events, rather than universal application. Commanders who want to get junior enlisted participation might choose to offer larger discounts to attend costly events, subject to council approval and fund availability. Each event should be considered individually, and shared cost policy should be applicable only to that event, not all future events.

d. The AVMF manager, or assistant, will collect, carefully account for, and promptly deposit shared cost income, to include all cash and checks, into the AVMF checking account. Normally this will be on the same day received, unless the amount collected is less than $200. When the amount collected on a given day totals less than $200, it may be retained in a secured safe for up to four days, but may not be retained over the weekend. A negotiable instrument such as a check or money order will be used to forward deposits to the bank. The purchase price for negotiable instruments should be deducted from the total amount to be deposited.

4-4. Authorized expenditures

a. Expenditures. MEPS commanders will ensure expenditures are proper and funds are available. AVMF managers must clearly communicate the reimbursement policy prior to the event. Committees can request an exception to policy for expenditures not listed below.

b. Competitive events. Prizes can be awarded for first, second, and third place winners provided all participants are not victors or prize winners. Rules must be approved and published in the AVMF committee minutes for the event and available to all participants. AVMF prizes of savings bonds, AVMF checks, money orders, trophies or plaques awarded for competitive or sporting events, can be provided for the sole benefit of a civilian or military beneficiary. Prizes cannot exceed $100 (the face value of a savings bond cannot exceed $200) per individual, with a limit of $400 per event. For team events, team prizes will not total more than $400 per event, and one team member will not receive more than $100. Examples of appropriate competitive events are:

(1) Best costume at a Halloween party.

(2) High game, high series, or the first place team at a bowling party.

(3) The winner of any competitive game of skill at AVMF function.

(4) Team competitive events at a USMEPCOM Organizational Day.

(5) Trophies, plaques, or MEPS T-shirt awarded for the Run for Your Life Program.

c. Job incentive. Awards for MEPS Military Member of the Quarter/Year. Up to $200 saving bonds or $100 in gift certificates, money order or AVMF check can be awarded using AVMF. At a minimum, these awards will be approved and added to the annual budget. If the event does not occur, the AVMF committee must decommit these funds. Job incentive awards for USMEPCOM civilians are funded with appropriated funds.

d. Operating expenses. Examples of operational expenses include:

(1) Bank service charges.

(2) Postage.

(3) Check reorders.

(4) Money orders (the cost of a money order will automatically be taken out of the amount deposited).

(5) Costs incidental to the maintenance and repair of procured AVMF property.

e. Postage stamps. The AVMF manager will ensure all postage stamps are secured and accounted for using USMEPCOM Form 215-1-7-R-E (Stamp Control Log) (fig. 4-3). The form will include the date the stamp was used, for what purpose, and the amount of stamps remaining. This form may be obtained from the USMEPCOM Electronic Pubs/Forms Library and reproduced on 8 ½- by 11-inch plain white bond paper. **If the account has been suspended**, the AVMF manager will make a copy of the form, prior to forwarding the records. All stamps are to be retained for mailing bank deposits and must be accounted for on the duplicate USMEPCOM Form 215-1-7-R-E. The date, purpose, cost of mailing, and value of stamps remaining must be included on the log. It is not necessary to hold a committee meeting to approve the purchase of stamps.

f. Unit social functions. Group participation at recreational, social, cultural, or athletic events designed for the collective benefit of all USMEPCOM employees. Unit social functions include:

(1) Football, basketball, baseball, hockey, soccer games, wrestling and boxing matches, tennis and golf tournaments, water and air shows, car races, theme parks, amusement parks, State or county fairs, circuses, museums, theaters, concerts, cultural centers, etc.

(2) Package deals including chartered bus transportation, meals and refreshments before, during, or after the event.

(3) Christmas, Halloween, birthday parties (covering a period of time, i.e., monthly, quarterly, etc.), picnic, campouts, trips to national parks, etc.

(4) Chartered fishing trips, boat rides, etc. Package deals may include refreshments, meals, and chartered transportation to the boat dock area.

(5) Sight seeing tours (package deals may include chartered transportation, meals, and refreshments).

(6) Ski trip (Package deals may include chartered transportation, lift tickets, rental of equipment, meals, refreshments, and overnight accommodations).

(7) Horseback riding expeditions (Package deals may include chartered transportation, rental of horses, food, and refreshments).

(8) Luaus, volksmarches, etc.

(9) Bowling parties.

(10) Children's Christmas party gifts not to exceed $10 per gift.

(11) Rent or fees for picnic grounds, sports fields, camp grounds, etc.

g. Meals and refreshments in conjunction with specific events. This includes events of historical and traditional significance:

(1) Organizational days, hails and farewells (when they cover a period of time (i.e., monthly, quarterly, etc.).

(2) Army/Navy/Air Force/Marine Corps/Coast Guard/USMEPCOM birthdays, and Armed Forces Day celebrations.

(3) Food and refreshments brought into the Headquarters, Sectors, and MEPS for everyone to eat at their desks, rather than at a special group gathering, is not considered a unit social function, unless it is done due to a lack of gathering space.

h. Procurement. Articles, services, or equipment that is not available or authorized through appropriated funds for the collective benefit of all beneficiaries. These items may be used by any USMEPCOM individual on a hand receipt basis. Accountability of equipment will be covered in chapter 6. Examples of property for this purpose are listed below:

(1) Coffee pots and mugs. Coffee pots and mugs are the property of the fund, available to all beneficiaries, and cannot be personalized, i.e., bear the name, nickname, rank, or branch of Service of an individual.

(2) Camcorders or video cassette recorders (VCR). The camcorder or VCR may be purchased for USMEPCOM personnel to use on a hand receipt basis.

(3) Barbecue grills, banquet, or picnic tables. AVMF may be used to purchase banquet tables for parties or recreational and welfare activities only if it is more cost effective than renting the equipment or using existing picnic areas.

(4) Cameras, film, and accessories. These items may be purchased for use with group activities. The equipment, less film, may be checked out using a hand receipt by individuals for personal occasions.

(5) Snowmobiles, small fishing boats, canoes, kayaks, sail boats, camping gear, power tools, and fishing or boating accessories. Appropriate safety equipment must be purchased with these types of equipment).

(6) Live indoor plants.

(7) Uniforms, T-shirts and sweatshirts with logo, and entrance fees for team sports leagues, sporting events or organization day competitive events. T-shirts and sweatshirts with logo used for AVMF-sponsored sport events to include Organizational Day competitive events may be given to those individuals who participated in that event. These items will be accounted for by having the individual receiving these uniforms sign a memorandum completed by the AVMF manager stating they received these items.

(8) Gratuities. Gratuities will not to exceed 15 percent of the total purchase price of the service/meal provided.

i. Tickets. Group participation at recreational, social, cultural, or athletic events designed for the collective benefit of all MEPS employees. In cases where there are not enough tickets to fulfill the demand of potential attendees, a lottery system or consecutive rotating roster can be used for ticket distribution.

4-5. Unauthorized expenditures

MEPS commanders will ensure no unauthorized expenditures are made. Expenditures are normally improper for four reasons: illegal, in poor taste, authorized for appropriated fund procurement, or if they solely benefit individuals. The purchase of property or equipment from MEPS members, friends of the MEPS and family members is prohibited. Unauthorized expenditures categories include:

a. MEPS official functions and/or mission support.

(1) Changes of command, Commander's call, retirements, promotions, or awards ceremonies.

(2) Hosting individuals on temporary duty status.

(3) USMEPCOM patches or crests, name tags for military or civilian members.

(4) Military uniform items or any other prescribed articles of individual or organization military equipment.

(5) Coffee and other refreshments for MEPS personnel other than in conjunction with a unit function.

(6) Clothing except T-shirts and sweatshirts with logo, and uniforms used for AVMF sponsored sporting events or organization day competitive events.

(7) Long term leases of real property.

(8) AVMF activities on training days are at the MEPS commanders discretion, keeping in mind that the focus on these days is to train (not socialize).

(9) Signs for the MEPS.

(10) Handouts for conferences. Handouts cannot be obtained with either appropriated or nonappropriated funds (NAFs). Brochures and maps are usually available free from Chambers of Commerce. Printing support should be part of established Interservice Support Agreements (ISAs) with servicing installations.

(11) Subscriptions to periodicals.

b. Procurement.

(1) Sole benefits to individuals and organizations/associations, except as discussed in paragraph 4-3.

(2) Departing gifts, plaques, hair cuts, parking fees, etc.

(3) Personalized coffee mugs.

(4) Gifts or flowers for weddings, hospitalizations, funerals, births, etc.

(5) Fees for individual membership in fraternal, professional, commercial, athletic, scientific, or technical societies, associations, or organizations.

(6) Individual hunting, fishing licenses, etc.

(7) Donations to the Red Cross, USO, or other charitable organizations.

(8) Printed holiday, greeting cards, and other graphic products of either a personal or an organizational nature.

(9) Items authorized for procurement with appropriated funds, by the MEPCOM Equipment Authorization Document (MEAD) or items used to perform a mission task, are not authorized for procurement with AVMFs. Examples are:

(a) Carpets/rugs, fans, refrigerators, and pool tables.

(b) Cable television, office furniture, medical supplies, etc.

(c) Television sets for applicant and family lounges.

(d) Camera film and accessories used for mission accomplishments.

(e) Artificial plants to include Christmas trees.

(f) Framed paintings, etchings, etc.

(g) Sports, athletic, or recreation equipment authorized by CTA.

(h) Memberships in health clubs or Young Men's Christian Association (YMCA) in support of physical fitness programs of the military services.

(i) Bowling fees, rental of bowling shoes, and refreshments for bowling league members except when such expenditures are approved for unit bowling parties.

(10) Any item that requires multiple payment with the exception of a deposit.

c. Incentive awards.

(1) Plaques given as job incentive awards. Plaques for both MEPS military and civilian personnel are purchased from appropriated funds.

(2) Civilian job incentive awards, (i.e., MEPS Civilian Member of the Quarter) are payable through appropriated funds.

d. Operating expenses.

(l) Checks made out to AVMF manager, assistant fund manager, any person with check signing authority or the WCO with the exception of a refund due to cancellation of a shared cost event.

(2) Local and State retail sales tax will not normally be paid since NAF are instrumentalities of the U.S. Government. Tax relief forms or exemption certificates, and exemption identification numbers as applicable are obtained from State tax authorities.

(3) Purchase of State tax-free tobacco products, candy, soft drinks, etc., from commercial vendors, commissaries, or Army, Air Force, and Navy exchanges to stock and sell through vending machines. All AVMF contracts will require the vendor to stock and maintain all machines.

e. Social functions.

(1) Door prizes and raffles.

(2) Prizes for bingo cards and other games of chance.

(3) Gambling or trips to casinos to include river boat gambling cruises.

f. Meals.

(1) Hams, turkeys, gifts, etc., for MEPS personnel during holidays.

(2) Alcoholic beverages (beer, wine, etc.).

g. Miscellaneous.

(1) Firearms and ammunition.

(2) Fireworks.

(3) Any activity where the distance traveled exceeds 350 miles (excluding all commercial travel).

4-6. Contributions

a. Unconditional contributions and donations of property, money or services voluntarily offered by individuals, business firms, civilian organizations, benevolent and fraternal societies or any association outside the military departments may be accepted by AVMFs when determination is made by the MEPS

commander that acceptance is in the best interests of the Service. Contributed or donated property, money, or services must comply with regulatory guidelines outlined in this regulation. Military and civilian personnel of the MEPS will not solicit prospective donors for contributions to AVMFs.

b. Raffles of property received as gifts by the AVMF are not authorized.

'

NONAPPROPRIATED FUND
RECEIPT AND DISBURSEMENT VOUCHER
For use of this form, see AR 215-5; the proponent agency is USAFAC.

VOUCHER NO. 9-01

NAME OF FUND: HQ USMEPCOM AVMF

DATE: 1 October 1998

DESCRIPTION	UNIT	AMOUNT RECEIVED		AMOUNT PAID*	
Twenty tickets at $20 each for a San Francisco 49'ers football game	EA			40	00
on 21 October 1998.					
Approved committee minutes dated 21 September 1998, paragraph 6b.					
TOTAL				40	00
LESS DISCOUNT					
NET				40	00

* PAID BY CHECK NO. DATED

CHECK APPLICABLE BOX
☐ AUTHORIZED FOR PAYMENT ☐ AUTHORIZED FOR RECEIPT

TYPED NAME, GRADE, AND TITLE OF CUSTODIAN: Steven B. Brown, CPT, Fund Manager

SIGNATURE OF CUSTODIAN: /s/

DA FORM 2107, MAY 58 USAPPC V1.00

Figure 4-1. Sample of a completed DA Form 2107

SHARED COST COLLECTION ROSTER
For use of this form, see USMEPCOM Reg 215-1

1. Name of MEPS:	2. Name of AVMF Manager:
Chicago MEPS AVMF	Capt Semperfi, USMC
3. Name of event:	**4. Date of event:**
Chicago White Sox Baseball Game	26 Oct 1999

5. NAME OF PARTICIPANT	6. SIGNATURE OF PARTICIPANT	7. NUMBER OF PEOPLE	8. COST PER PERSON	9. TYPE OF PAYMENT	10. AMOUNT COLLECTED	11. DATE COLLECTED
Bill Smith	Bill Smith	3	$3.50	check #1167	$10.50	3 Oct 99
Nancy Doz	Nancy Doz	2	$3.50	check #412	$7.00	3 Oct 99
Susie Smiley	Susie Smiley	2	$3.50	cash	$7.00	7 Oct 99
Barbara Johns	Barbara Johns	1	$3.50	cash	$3.50	8 Oct 99
Larry Meyer	Larry Meyer	5	$3.50	check #719	$17.50	11 Oct 99
Joe Smoe	Joe Smoe	4	$3.50	cash	$14.00	11 Oct 99
Sam Jones	Sam Jones	2	$3.50	check #1390	$7.00	14 Oct 99
Jean Holland	Jean Holland	1	$3.50	cash	$3.50	14 Oct 99
Eric Searles	Eric Searles	3	$3.50	cash	$10.50	14 Oct 99

12. Total amount collected:	13. Date forwarded to the bank:
$80.50	3 Oct 99 $24.50, 11 Oct 99 $35.00, 14 Oct 99 $21.00

USMEPCOM Form 215-1-4-R-E, 1 Oct 99

Figure 4-2. Sample of a completed USMEPCOM Form 215-1-4-R-E

STAMP CONTROL LOG

For use of this form, see USMEPCOM Reg 215-1

1. Name of MEPS:	2. Name of AVMF Manager:
Miami MEPS AVMF	LT Jane Doe, USN

3. NUMBER PURCHASED	4. DATE PURCHASED	5. NUMBER USED	6. DATE USED	7. PURPOSE	8. ON-HAND BALANCE
100	4 Oct 99			Replenish stock	120
		2	4 Oct 99	Mail payment to Honest Sam's Restaurant	118
		1	8 Oct 99	Mail payment to Joe's Amusement Company	117

USMEPCOM Form 215-1-7-R-E, 1 Oct 99

Figure 4-3. Sample of a completed USMEPCOM Form 215-1-7-R-E

Chapter 5
Financial Management

5-1. Administrative

Thorough and complete accounting records and well-documented business activities are essential to the AVMF. All disbursements and monies received must be promptly posted into MS Money transaction records. Fund managers should fully explain income and expenditures so that a third party would reason-ably understand what actually happened. Receipts, bank statements, comprehensive records, check registers, and detailed correspondence are all part of a good file. In all cases, records for the AVMF will be legibly printed with black, blue, or blue-black ink. Pen and ink corrections must be made by lining through the error without obscuring the original entry and initialing over the entry. Then the corrected information should be inserted above the lined-through entry. Erasures, white out, liquid paper, or strike-overs will not be made on these documents. The AVMF manager or assistant manager will prepare memorandums for record (MFR) for all unusual circumstances that occur (i.e., exception to policy and unusual expenditures) (see fig. 5-1).

5-2. AVMF appointment grade/criteria

(1) AVMF manager in the grade of officer, E-7/GS-7 and above.

(2) Assistant AVMF manager in the grade of E-5/GS-5 and above.

(3) AVMF council will consist of the Commander, Support Group Supervisor, and one other disinterested individual capable of having AVMF check signing authority.

(4) AVMF committee consisting of at least five voting members (must have at least one civilian and one military representative on the committee) and the nonvoting AVMF manager.

(5) AVMF committee president may be an officer, civilian (GS-5 or above), or enlisted (E-5 or above) assigned to the MEPS (careful consideration must be given to the maturity, objectivity, experience, and desire of the individual selected as AVMF president).

(6) AVMF WCO, E-6 or above (military only-no civilian) is nominated and passes the AVMF WCO's correspondence course at least 30 days prior to the requesting termination of the current WCO.

(7) Ordering officers, E-5 /GS-5 and above.

5-3. Accounting records

a. Single-entry bookkeeping. The AVMF operates on a cash basis, using a single-entry bookkeeping system to account for income and expenditures. This is the simplest accounting process and notes only the amounts received and paid by the fund.

b. Binders.

(1) Current fiscal year (FY). The outside of the AVMF binders are to be labeled for ready identification with the MEPS name, the FY, and "NAF accounts." (Example: Boston MEPS, FY 95, NAF Accounts). AVMF manager will use for binder 1: File number 215 Morale, welfare, and recreation correspondence files, destroy when no longer needed for current operations. "Also, the manager will use for binder 2 file number 215-5e (NAF accounts) with disposition to destroy after 3 years." The current FY AVMF accounting records will be maintained in three-ring binders.

(1) Binder 1 will be organized in the following order:

(a) USMEPCOM Reg 215-1.

(b) Contracting officer warrant by Commander, USMEPCOM.

(c) Current contract and modifications.

(d) State tax exemption form (obtain form from the state the MEP is located in).

(e) Current appointment orders.

(f) Most current records of audits, (e.g., IG, revalidation review, commander's review).

(g) Reports (quarterly/annual).

(h) Semiannual property inventory.

(i) USMEPCOM Form 215-1-5-R-E (Certificate of Fund Transfer) (fig. 5-1) may be obtained from the USMEPCOM Electronic Pubs/Forms Library and reproduced on 8 ½- by 11-inch plain white bond paper.

(j) MS Money Property Transaction Record Inventory.

(k) Approved annual spending plan.

(2) Binder 2, will be organized sequentially for the current FY, beginning with the month of October as follows:

(a) Monthly MS Money transaction report.

(b) Bank statements.

(c) Approved committee minutes.

(d) DA Forms 2107 may be obtained from the USMEPCOM Pubs/Forms Library and reproduced on 8 ½- by 11-inch plain white bond paper with all documentation.

(3) Prior FY. Previous year's documents will be placed in an inactive file. Use file numbers 215 Morale, welfare, and recreation correspondence files and destroy when no longer needed for current operations and 215-5e, NAF accounts, with disposition to destroy after 3 years.

5-4. Transfer of accountability

A USMEPCOM Form 215-1-5-R-E, Certficate of fund transfer, will be filled out for changeover of AVMF manager, (figure 5-1). The certificate will include the following:

a. The MS Money transaction record is in balance and up-to-date.

b. All forms contained in binder 1, are completed and up to date.

c. A 100 percent physical inventory of check stock and AVMF property.

5-5. Types of reports

a. The AVMF manager will submit all reports in a timely manner. If the AVMF manager does not meet the set suspense for reports, he or she will receive a courtesy call to correct the situation. If the situation is not corrected within 24 hours, the MEPS commander will be contacted right away for assistance via e-mail, telephone or fax.

b. Monthly Bank Statement Reconciliation. The AVMF manager will reconcile the monthly bank statement by the **NLT the 20th of each month** with MS Money. A copy of the MS Money Transaction Record must be filed in AVMF binder 2.

c. MS Money Quarterly Budget Report. The AVMF manager will forward MS Money Quarterly Budget Report to HQ USMEPCOM ATTN: MRM-FP, either by mail, fax; or e-mail **NLT the 21st calendar day of January, April, July, and October.**

d. Annual requirements.

(1) Randolph-Sheppard Act, Annual Report (fig. 5-2).

(a) The Randolph-Sheppard Act, Annual Report (20 United States Codes (USC) section 107 et seg.) states that blind citizens will be given absolute priority in establishment and operation of vending machines on federal property. The MEPS are not entitled to income earned when the blind citizens control the vending machines on the MEPS premises. However, when operated by the MEPS the State licensing agency for the blind will receive part of the commissions from the machines.

(b) The on-site official responsible for the MEPS facility must contact the state licensing agency for the blind, in writing, to give blind citizens the opportunity to operate vending machines on the premises in those MEPS where vending machines are operated. The on-site official is the General Service Administration (GSA) building manager (to include MEPS located in federal buildings or in privately owned facilities leased by GSA) unless they have delegated the responsibility to the MEPS commander. The MEPS commander is the on-site official if the station's lease was obtained through the US Army Corps of Engineers (COE). MEPS commanders are not required to obtain copies of the correspondence from the GSA building managers if the responsibility is not delegated to the MEPS commander. A concession opportunity will be offered to the State licensing agency for the blind in conjunction with acquisition, substantial alteration, or renovation of property. Satisfactory sites will be provided for the operation of vending machines operated by the blind.

(c) AVMF manager will monitor the commission when the MEPS have a contract with a vendor to provide such services. The on-site official is responsible for collecting, accounting and disbursing the commission. MEPS commanders are responsible for ensuring that 50 percent of annual commissions, which exceed $3000 at the end of each FY, are disbursed to the State agency of the blind. Each MEPS will submit information to HQ USMEPCOM, ATTN: MRM-FP, which will be compiled and submitted as the Randolph-Sheppard Act Annual Report. Negative reports will be submitted. Reports will be transmitted either by mail or electronically in order to arrive at HQ USMEPCOM **NLT the 10th calendar day of October.**

(2) Annual insurance update. The annual insurance update will be prepared by the AVMF manager, approved by the committee and council, and submitted to HQ USMEPCOM **upon request (normally in the month of August).**

(3) Annual budget report. The annual budget report will be prepared by the AVMF manager, approved by the committee and council, and submitted to HQ USMEPCOM **NLT 30 August of each year** (fig. 5-3).

5-6. Cash on hand

All AVMF income will be mailed to the bank on the same day it is received by the AVMF manager except amounts less than $200 that can be maintained in a secured safe for up to 4 days, but not over the weekend. Cash amounts of less than $10.00 can be retained and accounted for locally by the AVMF manager until additional funds are available for deposit. Cash will **not** be forwarded through the mail; only a negotiable instrument such as a cashier's check or money order will be used. Under no circumstances will AVMF managers deposit cash into any personal checking account, then write (or have written) a check for the amount of cash to deposit to the bank. Any fees associated with purchase of negotiable instruments for deposit are authorized AVMF expenditure and should never be paid "out of pocket" by the fund manager. These fees may be taken out of the shared cost collected or purchased separately if stated in the minutes.

5-7. AVMF electronic accounting and reporting procedures

See appendix C for accounting and reporting procedures.

5-8. Maintain the checking account

a. A checking account is absolutely essential to safeguarding funds and recording receipts and payments. All AVMF accounts are centrally maintained and protected by the Army Central Banking and Investment Fund. All Department of Defense (DOD) NAFI's banking contracts are awarded by the respective Services. Benefits from centralized banking are:

(1) Automatic overdraft protection for any insufficient check written.

(2) Maximum interest accrued because the total balance of all MEPS AVMF accounts is used in computation.

(3) A centralized liaison at Service level to assist fund managers with questions or disputes.

(4) Tax exempt status as an instrumentality of the U.S. Government.

b. Each checking account will be in the name of the AVMF, for example: "Harrisburg MEPS Amusement Vending Machine Fund, an Instrumentality of the United States." The account will not be in the name of the AVMF manager or any other individual.

c. The banking facility will provide signature cards for at least two individuals on the fund council. Each AVMF check will always be prepared by the AVMF manager and signed by an authorized individual for whom signatures are on file with the banking facility. **(Note:** Authorized individuals who have check signing authority may not serve as the AVMF contracting officer, ordering officer, AVMF manager or assistant.) A new signature card will be provided to the bank upon appointment of any new co-signer(s); however for those MEPS who choose to use one signature on a check, a new signature card will be sent to the banking facility stating that you are now only requiring one signature on AVMF checks. For those MEPS using one signature, the check must be filled out with the signature on the top line and the individual's name printed on the bottom line where the second signature normally goes. Copies of signature cards will be maintained by the AVMF manager in AVMF binder 1, appointment orders section.

c. AVMF checks are prenumbered. The fund manager will retain ruined or voided checks. The word "VOID" will be clearly written or stamped across the face of the check in a manner to ensure that the check cannot be used. Any outstanding checks that are more than one year old will be credited back into the AVMF fund account.

e. By the 20th of each month, the AVMF manager will reconcile the month bank statement with MS Money.

f. The Banking Liaison Office (Community and Family Support Agency) will issue a monthly memo balance statement to each MEPS which will include the earned amount of interest to be posted to the AVMF checking account. Fund managers should post interest to the MS Money Transaction Record from the memo balance only. (Note: Bank transactions occurring on the same days are usually represented as a net figure on the memo balance statement).

g. All fund transactions will immediately be annotated in MS Money. Fund managers will post income deposits, disbursements, and adjustments as they occur. All entries will have the DA Form 2107 voucher number posted in the memo column.

h. Checks will be used in numerical sequence. Canceled checks received with the bank statements and voided checks will be attached to the appropriate check stub in the checkbook or keep checks in sequential order with the checkbook. The AVMF manager will secure the checkbook when not in use. Check records will be completed in pen and ink and will indicate to whom, for what purpose, the date, and for the amount the check was written. Checks will only be made payable to the vendor, for the exact amount of purchases (to include gratuities), but not to exceed the amount approved by the council. Following are noted exceptions:

(1) Change received from checks will be converted to a negotiable instrument (i.e., money order or cashier's check) and deposited to the bank as soon as possible.

(2) Checks made payable to MEPS military member of the quarter/year, or in the event of a cancellation of a cost share activity, will be signed for on a DA Form 2107 with the individual’s signature.

(3) No blank check will be signed. The check amount may be left blank; however, the AVMF manager is responsible for printing “NOT TO EXCEED,” along with the dollar amount, on the face of the check. This amount must not exceed the amount approved by the committee and council.

(4) The AVMF will **immediately endorse**, "FOR DEPOSIT ONLY" signed, and forwarded to the AVMF bank. If the fund council approves use of a rubber stamp to use on deposited checks, the stamp may be purchased with AVMF.

(5) All personal checks returned for insufficient funds will be brought to the attention of the fund committee and council, and recorded in the committee's written record. Restitution for the face value of the check will be made by the initiator of the check, payable to the AVMF. Such payment must be in the form of a money order within 5 days of notification. In addition, a returned check charge of up to $15 **may be** assessed for administrative charges. In order to assess such charges, the committee and council must approve the assessment of such charges prior to each event.

(6) The MEPS commander may grant a written exception to the policy in cases where the vendor does not accept checks. In this case, the check will only be written to the contracting officer or ordering officer and used the same day in which it was given. This exception, along with receipts, must be attached to the DA Form 2107.

5-9. Conducting a committee meeting

a. The AVMF committee president presides at the meetings and has voting rights. Parliamentary procedures should be practiced to insure that a structured decision making process is used.

b. The AVMF committee meetings must constitute a quorum by having 51 percent of their members on appointment orders present at the meeting. The AVMF council may require voting record of each proposal be included in the minutes.

c. Minutes will include the time, date, place of the meeting, who was present, and who was absent. Minutes should be short, concise, and simple. A completed sample of the minutes is in figure 5-4. Minutes will:

(1) Include as a statement in the minutes, a review of the MS Money Transactions Record as of the most recent transaction. This review must also include verification of the current balance of available funds and commitments approved but not expended. No funds will be committed if they are not available at the time of the meeting.

(2) Summarize discussions and decisions on old business carried over from previous meetings.

(3) Summarize discussions and decisions on new business brought up at the present meeting. When discussing proposed events, the cost limitation, and the participation parameters to include guests must be voted on and approved for each planned activity and recorded in the minutes. The minutes should discuss each proposal in sufficient detail that the AVMF council can make proper judgments. The entire cost of an activity, to include all "shared cost" amounts, will be approved by the AVMF council before any AVMF monies are disbursed or collected.

d. The AVMF Committee President and the AVMF manager, or the individual acting in their capacity at the AVMF committee meeting, will sign the minutes verifying their completeness and accuracy.

5-10. Process disbursements

a. The AVMF manager will document all disbursement on the DA Form 2107 and will reference the approved minutes. A completed sample of this form is at figure 4-1.

b. A payment will not exceed the maximum amount approved by the AVMF council. Increases in price will be brought before the committee and council. Supplemental approvals must be made in writing prior to payment. Disbursements will not be made if the AVMF account has insufficient funds to cover the expense. Payments will be made promptly upon receipt of services or items. Payment will not be deferred in anticipation of future income.

c. The AVMF committee and council may authorize an amount not to exceed $100 for immediate cash requirements without an additional committee meeting.

5-11. Completion of DA Form 2107

a. AVMF manager will record all income on the DA Form 2107. These vouchers will be numbered sequentially as used and supported by a bank deposit slip which will be attached to the DA Form 2107. The date of the DA Form 2107 will be the date the deposit is sent to the bank.

b. This voucher is the basic accounting record of AVMF transactions and AVMF manager will complete as transactions occur. There will be one DA Form 2107 for each individual transaction. DA Forms 2107 will not be batched by type of transaction. The only exception to this requirement is in the case of shared cost. Each DA Form 2107 represents a line entry on the transaction record.

c. Vouchers are numbered consecutively by FY. The first digit refers to the FY; the second digit refers to the voucher sequence number. For example, voucher numbering for FY 95 begins with "5-1," "5-2," "5-3," etc. The DA Form 2107 must comprehensively state all facts pertaining to the transaction. The description block should include such information as:

(1) Purchased or received.

(2) To and from whom.

(3) Quantity.

(4) Unit price and total amount of transaction.

(5) When transacted.

(6) Reference any related transactions (voucher numbers of any other transactions that pertain to the same MWR action).

(7) Method of delivery or payment.

(8) Date and paragraph of approved committee minutes which authorizes the transaction.

d. The "Authorized for Payment" block of the DA Form 2107 will be checked for all disbursement vouchers; "Authorized for Receipt" block will be checked for all income vouchers.

e. Any supporting documents, such as DA Forms 4065-R, 4066-R, 4067-R, vendor receipts, cash register tapes, DA Forms 4083-R (Vending or Amusement Machine Collections) for concessionaire income, MFRs, or DA Forms 1992 (NAF Receipt Voucher), will be attached to the DA Form 2107 and will be marked with the DA Form 2107's voucher number. All NAF purchase documents will also be attached to the voucher used to record payment. The dollar value listed on the voucher and the value on supporting documents should be the same. A brief memo will explain any discrepancies and will be attached to the DA Form 2107.

f. Bank generated transactions, such as interest income and redistribution will be recorded from the monthly bank statement. Interest will be recorded on the DA Form 2107. See figure 4-1 for a completed sample of DA Form 2107.

g. The AVMF Fund manager will ensure each disbursement is supported by an invoice, bill, receipt, or appropriate purchase document. All pertinent documents will be attached to the DA Form 2107. The only exception is a bank debit action. The ending date of the applicable bank statement, entered on the DA Form 2107, is sufficient.

h. Enter the number of the AVMF check used to make a disbursement on the DA Form 2107.

5-12. Conducting a joint coin count/completion of DA Form 4083-R

a. Concessionaire commissions are considered as income to the AVMF. Vendor checks must be made payable to the MEPS AVMF. To determine the amount of commissions due the MEPS, a joint count of money contained in the amusement and vending machines and verification of merchandise remaining in the machines is necessary. This verification process is required by each concessionaire contract. The joint count will be performed with the following individuals:

(l) The vendor or vendor's representative.

(2) A disinterested person assigned to the MEPS on a rotating basis (not the AVMF manager or assistant AVMF manager).

(3) The AVMF manager or assistant AVMF manager will sign the "command representative" block.

b. A disinterested person will perform the joint coin count (AVMF manager or assistant manager are the only individuals not qualified as a disinterested person). Furthermore, the disinterested person will be briefed by the AVMF manager or assistant manager as to their duties and responsibilities. This individual will verify the amount of money taken from the amusement machines and money and merchandise in the vending machines. They will also verify meter counts if applicable. If machines do not have meters, a joint verified cash count is sufficient. Any discrepancies greater than 5 percent between the metered income and the cash collected will be explained on the DA Form 4083-R in the remarks block. A copy of the DA Form 4083-R will be provided to the vendor. If the machine is not fixed in 3 months and still has meter discrepancies greater than 5 percent, the machine will be pulled from service. The DA Form 4083-R is used to record the details of the joint count. Figure 5-5 provides a completed sample of DA Form 4083-R.

c. Upon receipt of the commission check payment from the vendor, the AVMF manager will reconcile the amount of commissions received from the vendor against the verified count record contained on the DA Form 4083-R and later, to the bank statement deposits. Any discrepancies must be brought to the attention of the vendor as soon as detected. Variances of $5 or less will be resolved by adjusting the difference in a subsequent commission check. If a discrepancy exceeds $5, it will be resolved by issuing a new supplemental check. The applicable DA Form 4083-R, a copy of the vendor check, and a copy of the deposit slip will be attached to the DA Form 2107. Complete the DA Form 4083-R as follows:

(1) Activity/location: Name of the MEPS.

(2) Control Number: Record voucher number used on the DA Form 2107.

(3) Date: Record the date of collection.

(4) Machine Number: Record the serial number of the machine.

(5) Machine Type: Identify the name or product by its brand name.

(6) Previous meter reading: Record reading from a previous collection sheet out of the current meter reading column.

(7) Current meter reading: Record reading from the machine from which collections are made.

(8) Meter games: Record the sum of the current meter games less previous meter readings.

(9) Charge per game: Record the cost per game.

(10) Metered income: Actual per game multiplied by metered games.

(11) Cash collected: An actual amount of cash collected from the machine.

(12) Difference: Record any difference between metered income and cash collected. Explain the difference in the remarks blocks.

(13) Total customer refunds: Record the total amounts from the applicable columns.

(14) Totals: Record the total amounts from the applicable column.

(15) Remarks: Record information pertaining to difference column.

(16) Shared of cash collections:

(a) Concessionaire, post percent approved by contract and earning for the period.

(b) NAFI, post percent approved by the contract and earning for the period.

(17) Print names:

(a) Command representative block: Fund manager's or assistant fund manager's name will be posted to the block.

(b) Fund representative block: A disinterested person of the MEPS on a rotating basis will be posted to the block. This person can not be the fund manager or the assistant fund manager.

(c) Concessionaire representative block: Any person from the vendor's organization will be posted to the block.

(18) Signatures: Same as printed names.

DEPARTMENT OF DEFENSE
MILITARY ENTRANCE PROCESSING STATION
2107 NE COLUMBIA BLVD
PORTLAND, OREGON 97211-1987

MCO-WPO (215) 6 Nov 98

MEMORANDUM THRU Commander, Western Sector, USMEPCOM, ATTN: Capt. Thibodaux, 3350 Peoria Street, Suite 150, Aurora, CO 80010-1408

FOR Commander, USMEPCOM, MRM-FP, 2834 Green Bay Road, North Chicago, IL 60064-3094

SUBJECT: Portland, Oregon MEPS Holiday Party Request

On January 22, 1998, our AVMF Committee recommended and our Council approved a holiday party brunch on board the Sternwheeler, riverboat. We made a deposit based on a preliminary attendance of 64 adults, 20 children and 5 infants. The total cost expected was to be less than $2,500, including the deposit.

Earlier this week, I conducted an attendance count for the holiday party event. Members and friends of the Portland, Oregon MEPS are enthusiastic about the planned river boat brunch. The current count is 94 adults, 41 children and 7 infants.

Request approval to spend $3,285.90 for the holiday party. In accordance with USMEPCOM Regulation 215-1, the required DA Form 4065, DA Form 5567 and facsimiles of the solicitations received are enclosed. Three riverboat companies were solicited for the event; however, only two are available. The AVMF Committee recommended and the Council has approved the allocation of funds for the event on November 4, 1998. After the expenditure, I will have enough funds for reserve to meet my current commitments.

Point of contact is the undersigned at (503) 282-3999.

Encl
as stated

DAVID B. WILLING
CPT, USA
AVMF Manager

Figure 5-1. Sample of an exception to policy memorandum

CERTIFICATE OF FUND TRANSFER

For use of this form, see USMEPCOM Reg 215-1

1. To:	2. From:
John Sky	Joe Blue

3. I certify, to the best of my knowledge and belief for the period ending 1 Oct 99 the following are true and correct:

a. MS Money Transaction Record is in balance, up to date and reflects a balance of $1,075.00.

b. A review of transactions from 1 Oct 98 through 5 Oct 99 reveals the following discrepancies:

N/A

c. Check numbers have been inventoried and are transferred. 1100 - 2100

d. Stamps have been inventoried, matched with the log, and 20 ea are transferred.

e. A Joint Transfer Inventory has been conducted for all property. Explain discrepancies.

N/A

f. Cash funds for reimbursement and change have been audited and 0 transferred.

4. Retiring AVMF Manager's name and signature:	5. * Date:
Joe Blue Joe Blue	6 Oct 99

6. I accept responsibility for the cash and assets shown in the fund and property balances as indicated on the financial statement referred to the above, beginning 6 Oct 99 .

7. Name and signature of AVMF Manager:	8. ** Date:
John Sky John Sky	6 Oct 99

9. The acceptance may be conditional, upon audit verification, if the succeeding AVMF manager is not satisfied that the fund and property balance are accurate.

10. Remarks:

NOTES:

* The date will be the last day of the retiring AVMF manager's tenure.

** The date will be the first day of the succeeding AVMF manager's tenure.

USMEPCOM Form 215-1-5-R-E, 1 Oct 99

Figure 5-2. Sample of a completed USMEPCOM Form 215-1-5-R-E

RANDOLPH-SHEPPARD ACT ANNUAL REPORT
(RCS: 1270 HEW-AN)

1. Name of command: U.S. Military Entrance Processing Command (USMEPCOM)

2. Number of applications for vending facility locations: None

3. Number of applications approved: None

4. Number of applications denied: None

5. Number of applications pending: None

6. Total amount of vending machine income collected: $2,7465.94

7. Total amount disburse to State licensing agencies: -0-

/SIGNED/
Ricky S. Doe
CPT, USA
AVMF Manager

Figure 5-3. Sample of a Randolph-Sheppard Act annual report

SOMEWHERE MEPS AVMF BUDGET REPORT 1 Oct 97 - 31 Dec 97

Subcategory	**Total**
AVMF Income:	
Amusement Machines	9,827.49
Bank Interest	255.08
Miscellaneous	230.00
Redistribution	217.44
Shared Cost	1,557.50
Travel Rebates	846.10
TOTAL INCOME	12,933.61
AVMF Expenses:	
Redistribution	2,500.00
Armed Forces Birthdays	325.50
Hail/Farewell/Birthdays	662.96
Procurement	447.82
Social Events	9,263.67
Annual Insurance	54.00
Operating Expenses	23.00
TOTAL EXPENSES	10,699.95
INCOME LESS EXPENSES	2,233.66

Signature of committee president and date Signature of AVMF manager and date

APPROVED

Signature of MEPS commander and date

Figure 5-4. Sample of an AVMF budget report

(Office Symbol) (215) (Date)

SUBJECT: Minutes of the Amusement Vending Machine Fund AVMF Committee Meeting

1. A meeting of the AVMF committee was called to order by the President at 1500, 21 October 1996, in the MEPS conference room.

2. Attendance:

a. Members present:
SFC Blue, Member (President)
HM2 White, Member
TSgt Green, Member
LT Rivera, (Non-voting) AVMF Manager

b. Members Absent:
SSG Doyle, Member
Mr. Maybe, Member

c. Nonmember Present:
YNC Jones, MEPS Employee
Mrs. Peters, MEPS Employee

3. The minutes of the last meeting were read. A motion was made by SFC Blue and seconded by HM2 White to accept the minutes as read. The AVMF committee approved the motion.

4. The MS Money Transactions Record was reviewed as of the last transaction on 21 October 1996. A motion was made by SFC Blue and seconded by TSgt Green to accept the financial statement as written. The committee approved the motion.

a. MS Money Transaction Report current balance: $6,750.25.

b. Commitments and reserves: $ 1,400.

c. Available balance: $ 5,350.25.

5. Old Business.

a. Minutes dated 3 Oct 96, paragraph 6a, motioned and seconded (SFC Blue/HM2 White) to set $1000.00 for the annual Holiday party to be held on 13 Dec 96 did not include money for entertainment.

b. Minutes dated 3 Oct 96, paragraph 6b, motioned and seconded (SFC Blue/HM2 White) to set $100 for each military member of the quarter total $400 did not allow funds for military member of the year.

Figure 5-5. Sample of the AVMF meeting minutes

(Office symbol) (215)
SUBJECT: Minutes of the Amusement Vending Machine Fund Committee Meeting

6. New Business.

a. A motion was made by SFC Blue and seconded by TSgt Green to allot an additional $300 for the Holiday party to cover the cost of the Disc Jockey (DJ) making the total cost of the Holiday party $1,300. The committee unanimously approved the motion.

b. A motion was made by SFC Blue and seconded by TSgt Green to allot an additional $100 for the military member of the year. The committee unanimously approved the motion.

c. A motion was made by HM2 White and seconded by TSgt Green to allocate $25 for the monthly birthday cake, total cost for the year would be $300. The committee unanimously approved the motion.

d. A motion was made by TSgt Green and seconded by SFC Blue to allocate $400.00 for the commander's retirement gift. The motion was disapproved (at the AVMF Manager request) by a vote of 2 no and 1 yes because the motion violating the Joint Ethics Regulation (DOD 5500.7-R) and The AVMF Regulation (USMEPCOM Reg 215-1).

e. A motion was made by TSgt Green and seconded by HM2 White to allocate $250 per quarter for the quarterly Hail and Farewells at a total cost to the AVMF of $1,000. The committee unanimously approved the motion.

f. A motion was made by HM2 White and seconded by SFC Blue to allocate $300 for the 31 Oct 96 Halloween party, $50 for the best costumes and $25 for the best carved pumpkin for a total cost $375 to the AVMF. The Council members will be the judges. The committee approved the motion by a vote of 2 yes to 1 no.

g. A motion was made by SFC Blue and seconded by HM2 White to allocate $25 per ticket for 40 MEPS members for The Monkey's concert on 8 Nov 96. The total cost to AVMF would be $1000. The committee unanimously approved the motion.

h. A motion was made by SFC Blue and seconded by HM2 White to adjourn the meeting and conduct the next AVMF meeting on 20 Nov 96 at 1300 hours in the MEPS Conference Room. The committee unanimously approved the motion and adjourned at 1615.

7. Total commitments approved:

a. Uncommitted balance prior to meeting:	$5,350.25
b. Disk jockey	$300.00
c. Military Member of the year	$100.00
d. Monthly Birthday cakes	$300.00
e. Quarterly Hail and Farewells	$1,000.00

Figure 5-5. Sample of the AVMF meeting minutes - continued

f. Halloween Party/costumes/pumpkin	$375.00
g. The Monkey's concert	$1,000.00
h. Total funds allocated:	$3,075
i. Uncommitted balance after meeting:	$2,275.25

/S/
CARROLL G. BLUE
SFC, USA
AVMF Committee President

/S/
HECTOR C. RIVERA
LT, USN
AVMF Manager

APPROVED/DISAPPROVED

/SIGNED/
SUSAN C. MILLER
MAJ, USA
Commanding

Figure 5-5. Sample of the AVMF meeting minutes - continued

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Collections Check Receipt	10th	10th	10th	10th	10th	10th	10th	10th	10th	10th	10th	10th
Bank Statement Reconciliation	20th	20th	20th	20th	20th	20th	20th	20th	20th	20th	20th	20th
Hand Receipt Review				30th			30th			30th		
New NAF Binders									30th			
Semi-Annual Inventory				30th						30th		
Randolph Sheppard										10th		
FOM List									30th			
Annual Budget										10th		
1st Qtr Budget	21st											
2nd Qtr Budget				21st								
3rd Qtr Budget							21st					
4th Qtr Budget										21st		
1st Qtr CIP		28th										
2nd Qtr CIP					30th							
3rd Qtr CIP								30th				
4th Qtr CIP											30th	
Insurance Update	Due upon request. "Normally between Aug and Oct"											

Figure 5-6. Sample AVMF periodic reports schedule

ACTIVITY/LOCATION	VENDING OR AMUSEMENT MACHINE COLLECTIONS	CONTROL NO.
Jackson MEPS	For use of this form, see DoD 7000.14-R, Volume 13; the proponent agency is USAFAC	9-02
		DATE: 15 Oct 98

MACHINE NUMBER	MACH TYPE	PREV METR READING	CURR METER READING	METERED GAMES	CHARGE PER GAME	METERED INCOME	CASH COLLECTED	DIFFERENCE *(SEE REMARKED)*
859432-2	Pac Man	0100	0500	400	0.25	100.00	100.00	
857384894	Asteroid	0050	0550	500	0.25	125.00	125.00	
846352424	Donkey Kong	100	200	100	0.25	50.00	50.00	
634723766	Double Dragon	300	700	400	0.50	200.00	200.50	0.50
4872487464	Medroit	400	800	400	0.50	200.00	195.00	-5.00
TOTAL CUSTOMER REFUNDS *(RECEIPTS ATTACHED)*					TOTALS:	675.00	670.50	-4.50

REMARKS
.50 customer refund due to a loss in Double Dragon Machine
Medtoid paid out 10 free games

SHARE OF CASH COLLECTIONS	CONCESSIONAIRE (50 %)	335.25	NAFI (50 %)	335.25

PRINTED NAMES

A. COMMAND REPRESENTATIVE	B. FUND REPRESENTATIVE	C. CONCESSIONAIRE REPRESENTATIVE
William Doe, SFC Asst Fund Manager	Tom Smith, SSG Operation Section	Joe Williams

SIGNATURE

A. COMMAND REPRESENTATIVE	B. FUND REPRESENTATIVE	C. CONCESSIONAIRE REPRESENTATIVE
/s/	/s/	/s/

DA FORM 4083-R, NOV 85 REPLACES DA FORM 4083, JUN 73, WHICH IS OBSOLETE. USAPPC V1.00

Figure 5-7. Sample of a completed DA Form 4083-R

Chapter 6
Property

6-1. Property information

Information on property owned by the AVMF regardless of cost, will be maintained on your MS Money Transaction Record.

6-2. AVMF losses of cash or other assets

a. The AVMF manager will report any known, suspected loss of cash or property of more than $50 or more, damage to, or destruction of property of the fund, other than normal operating losses, the fund council. The MEPS commander will initiate a serious incident report (SIR) and contact the Command Legal Advisor to determine if and which type of investigation is warranted under AR 15-6 (Procedures for Investigating Officers and Boards of Officers).

b. Who will investigate all property losses.

c. Who will submit final report NLT 15 days after completion of the investigation.

d. All property losses should be reviewed by the AVMF fund council. However losses of expendable property with a unit cost or like items with a total cost of $50 or less do not require investigation.

e. Investigating officers will forward reports of investigation through sector commanders to HQ USMEPCOM for review and appropriate insurance information concerning the property recommendations of pecuniary liability will be made by the investigating officer and approved by the sector commander. The loss will be dropped from inventory. Statements of droppage will include the determination of pecuniary liability. The statement of droppage will be signed by the AVMF manager and AVMF committee president, and approved by the MEPS commander.

f. The sector commander will review for adequacy of investigation and completeness of findings.

g. The sector commander will review recommendations regarding responsibility for or relief from pecuniary liability to determine the extent to which negligence, fraud, dishonesty, or misconduct may have contributed to the loss, and that relief is justified by positive findings of freedom from culpability.

6-3. Joint transfer inventory

Prior to the effective date of the transfer of accountability, either temporary (30 days or more) or permanent, a transfer inventory will be JOINTLY performed by the outgoing and incoming AVMF managers. This inventory will consist of a physical review, identification, and verification of all items on the MS Money Property Transaction Record. The succeeding AVMF manger will accept responsibility for the assets and property after a joint inventory is performed. The incoming AVMF manager will sign and date the bottom of the MS Money Property Transaction Record Inventory Report. This inventory will be signed by the outgoing and incoming managers, the AVMF committee president, and AVMF council. A memorandum reporting the results of the inventory will be completed and submitted to the AVMF committee and forwarded to the council for approval before the outgoing custodian is relieved of liability. This memorandum must be posted in binder 1.

6-4. Semiannual inventory

Semiannual inventories will be conducted in October and April. JOINTLY conducted inventories in October or April meet the semiannual inventory requirement. An exception to policy can be submitted for Joint inventories conducted in September or March with subsequent inventories to be accomplished

NLT 6 months after the last inventory. This inventory will be conducted by the fund manager and a disinterested individual using MS Money Transaction Property Records and computer generated sheet to match the outdated DA Form 1759 or you may use a DA Form 2062 (Hand Receipt/Annex Number). Completion of the inventory will be signed and dated by both the AVMF manager and the disinterested individual at the bottom of the MS Money Property Transaction Record Inventory Report and posted in binder 1.

6-5. Security and storage of property

a. AVMF property items will be marked with a durable type of identification, such as an affixed tag, decal or engraving that is difficult to destroy, mutilate or alter. Items too small or fragile for a tag or decal should be marked by the most practical method possible.

b. AVMF property will be controlled by one of the following methods:

(1) Physically secure property when not in use in storage accessible to the AVMF manager.

(2) Property issued temporarily to an individual may be accounted for by preparing DA Form 2062. Property may be issued on a temporary hand receipt for a period not to exceed 30 days. Prior to renewal of the hand receipt, property must be presented to the fund manager for inspection. The committee and council will determine how long an individual may retain property on hand receipt for personal use.

(3) Property will be hand receipted on DA Form 2062 to the supervisor of the work area where the property is physically located. These hand receipts should be reviewed and updated every 30 days.

(4) Property located for community use will be controlled as the committee recommends and the council approves.

6-6. Physical security (vending/amusement machines)

a. A double lock system will be installed by the vendor on all amusement and vending machines covered by the AVMF contract. One lock will be on the cash box, the other lock will ensure that no one can gain access to the cash box. The keys for the AVMF locks will be maintained by the key custodian using the MEPS key control log . The keys for the concessionaire locks will be maintained by the vendor. Pool tables are not classified as amusement machines, and therefore, do not require additional locks.

b. All amusement and vending machines will be checked daily to ensure unauthorized access has not been attained or vandalism has occurred. The individual responsible for opening the game room will conduct this check without documenting this check.

6-7. Property insurance

a. The Army Risk Management Program (RIMP) is a centralized Property and Casualty Insurance Program for U.S. Army NAFIs and is used for AVMF. The objective of the RIMP is to provide broad insurance protection to NAF assets at the lowest cost.

b. An annual premium will be paid to the Army Central Insurance Fund (ACIF) to cover the collective insurance premium for each MEPS. HQ USMEPCOM will request that Army Banking and Investment Fund (ABIF) deduct each sector’s entire annual premium from a designated activity within that sector.

After deduction, FPSD will request that ABIF deduct an equal amount from each MEPS to reimburse the designated activities (minus their equitable premium contribution).

c. The annual premium includes:

(1) Property insurance. The dollar value of all MEPS assets requiring protection will be totaled and identified. Assets that are not included in the total will not be insured. HQ USMEPCOM, MRM-FP, requires immediate telephonic notification of the acquisition of additional property followed up by written notification within 30 days. This information will be forwarded to ACIF for action. AVMF property will remain uninsured if the notification procedures are not followed.

(2) Fidelity bonding. Fidelity bonding protects the AVMF against theft by its employees. The bond covers all employees and not just employees who handle money. Coverage includes losses of money and property through theft, embezzlement, and other acts of larceny committed by employees. All AVMF managers will be bonded.

(3) Tort or general liability. Claims covered by this section include:

(a) Claims against the AVMF due to acts or omissions of the AVMF or US MEPCOM employees.

(b) Claims arising out of the activities of members or authorized users of AVMF property.

(4) Money and securities insurance. This program ensures the AVMF against monetary losses caused by other than an employee.

(5) Questions on ACIF coverage and claim procedures will be directed to FPSD.

6-8. Property disposal

a. Property remains accountable until properly dropped from accountability. Other property is controlled by committee/council procedures. Sale at fair value: Sale will be made to the highest bidder, subject to the constraints below:

(1) The fund council must establish the minimum acceptable bid. This cash value must be at least equal to the depreciated value of the equipment using 10 percent depreciation per year.

(2) Sale announcements and minimum acceptable bids will be publicized to all eligible personnel at least 5 days before the sale.

(3) The first bidding opportunity will be afforded to the beneficiaries of the AVMF.

(4) Items for which no bids are received may then be sold to nonbeneficiaries for the established minimum bid.

(5) The AVMF manager will withhold sale and turn-in the property as excess to the Definse Reutilization and Marketing Office (DRMO) if the minimum depreciated bid (stated in (a)(1) above) is not reached.

(6) The auction announcement, as well as a memorandum listing all bids, buyer name(s) and selling price, must be attached to the DA Form 2107 (fig. 4-1). The memorandum is used to record the receipt of income from the sale.

(7) A statement of droppage for equipment greater than $100 should be prepared for items which have been sold, and will include the date of purchase, quantity, item, acquisition cost, sale price, and final disposition. The acquisition cost and the sale price columns will be totaled on statements involving more than one item.

b. Fair wear and tear (FWT) will be considered when depreciating equipment.

c. Transfer to an NAFI or other AVMF.

(1) Property may be transferred without cost to another AVMF or NAFI.

(2) The statement of droppage that supports the transfer will include the date of purchase, quantity, item, acquisition cost and final disposition. Acquisition costs will be totaled on statements involving more than one item.

(3) Items authorized for procurement with appropriated funds, by Common Table of Allowance (CTA), or Table of Distribution and Allowance (TDA) will be controlled using the appropriated fund property book procedures by HQ USMEPCOM.

(4) The Statement of Droppage (see fig. 6-2) will include the date of purchase, quantity, item, acquisition cost, and final disposition. Transfer documents showing nomenclature, value of property, and name of entity to which it was transferred will be maintained with the statement of droppage.

(5) A sample Statement of Droppage memorandum is provided at figure 6-2.

d. Turn-in to the DRMO.

(1) Excess property may be turned in to the nearest DRMO. Excess property is property of no further use to the AVMF and for which sale or transfer to another AVMF is impractical.

(2) Serviceable excess property, valued greater than $200 will be turned into the DRMO if the DRMO is within 50 miles of the MEPS.

(3) Unserviceable excess property, valued at greater than $100, will be turned into the DRMO if the DRMO is within 50 miles of the MEPS.

(4) Should the nearest DRMO be greater than 50 miles from the MEPS or it is not cost effective to turn in (e. g. removing antifreeze from a refrigerator prior to turn in cost more than it’s current value), the fund committee may recommend alternate ways of disposing of the equipment. Donations to charitable organizations may be made when all other means of disposal are exhausted and the fund council approves the donation.

(5) The Statement of Droppage will include the date of purchase, quantity, item, acquisition cost, and method of disposition. The turn-in document, DA Form 1348-1 (DOD Single Line Item Release/Receipt Document) showing nomenclature, value of the property, and the DRMO validation of receipt, will be filed with the Statement of Droppage.

(6) A statement of droppage must be prepared for each donated item and will include an original date of purchase, quantity, item description, acquisition cost, and recipient of donation.

e. Lost, damaged, or destroyed property may be removed from accountability.

f. Raffles of excess or unserviceable property are not authorized.

DEPARTMENT OF DEFENSE
BLUE SKY MEPS
5051 RODEO ROAD
BLUE SKY, CALIFORNIA 90016-4791

MCO-WWO (37) 2 Feb 99

MEMORANDUM FOR RECORD

SUBJECT: MS Money Transaction Record, Physical Inventory

The attached MS Money Transaction Record semi-annual physical inventory was accomplished today by 1LT Below, the retiring AVMF manager, and 1LT Above, his successor. Their signatures on the transaction record signify that the inventory was thorough and accurate.

The inventory was reconciled with the balance of the property listed on the MS Money Transaction Record.

The following overages/shortages were noted:

ITEM DESCRIPTION	UNIT COST	BALANCE ON DA FORM 4078	PHYSICAL COUNT	VARIANCE OVER/SHORT
VCR	$200	($100)		SHORTAGE

I have directed that a determination of individual responsibility be made for the loss of property shown on this inventory.

/SIGNED/
GEORGE L. BURNS
MAJ, USA
MEPS Commander

Figure 6-1. Sample of a MS Money transaction record, physical inventory

DEPARTMENT OF DEFENSE
BLUE SKY MEPS
5051 RODEO ROAD
BLUE SKY, CALIFORNIA 90016-4791

MCO-WWO (37) 2 Feb 99

MEMORANDUM FOR RECORD

SUBJECT: Statement of Droppage, Reference No. 5-25*

The following item, worn through fair wear and tear (FWT) and not from willful misconduct or negligence, was disposed of this date for unrepairability:

DATE OF PURCHASE	QTY	ITEM	ACQUISITION COST	DISPOSITION
16 Mar 87	1 ea	VCR (Goldstar)	$225.00	Turn in to DRMO Fort Home

Committee minutes dated, 28 December 1998, paragraph 6c, approved droppage.

The VCR has no trade-in value.

$225 was entered as a daily transaction of the MS Money Transaction Record on today.

/SIGNED
GEORGE L. DOE
1LT, USA
Fund Manager

APPROVED:

/SIGNED/
ROBERT T. SOMEBODY
Maj, USAF
Commander

*Reference number will be the next AVMF voucher number normally assigned to the DA Form 2107

Figure 6-2. Sample of a Statement of Droppage memorandum

Chapter 7
Procurement

7-1. Authority

NAFs, such as AVMF, are not provided by Congress, they are defined as Government funds. The only method of making purchases with NAF is through the use of NAF contracting procedures. The Commander, USMEPCOM, has delegated the authority to warrant qualified individuals to do AVMF contracting functions within the Command. These individuals are the only authorized personnel to make purchases with AVMF monies. However, they may not award contracts for amusement and/or vending machine concession contracts. This type of contracting must be accomplished by the appropriated funds contracting office that supports each MEPS or in special cases, by HQ USMEPCOM, Resource Management Directorate, Logistics Division (MRM-LO).

7-2. Contracting functions

a. The two possible AVMF contracting positions in each MEPS are:

(1) The AVMF WCO.

(2) The ordering officer.

Although these positions differ based upon the level of training and responsibility, they are both empowered to legally bind the AVMF. Binding the AVMF is defined as signing contracts, purchasing material or services, or reserving services.

b. The WCO is empowered with safeguarding Government funds. This authority cannot be treated lightly. Should a contracting officer misuse funds, he or she will be held personally liable and be subject to administrative, disciplinary, and/or nonjudicial punishment.

c. WCOs may not obligate the AVMF for purchases of **$5,000** or greater and will not have check signing authority. Purchases over $**2,500** require HQ USMEPCOM approval.

d. Ordering officers may not obligate the AVMF for purchases greater than **$1,000** and will not have check signing authority.

7-3. Selection, training, and appointment of AVMF WCOs

a. A WCO may be any military or civilian member, assigned to the MEPS, in the grade of E-5/GS-5 or above.

b. Only the Commander, USMEPCOM, has the authority to appoint WCOs.

c. MEPS commanders will identify an individual to do contracting officer functions and will nominate the individual in writing. Nomination will serve two purposes:

(1) To identify the individual who will be serving as the WCO **(see fig. 7-1)**.

(2) To enroll the individual in the USMEPCOM AVMF Contracting Officer's Correspondence Course (app. D).

d. In selecting an individual for AVMF WCO, the MEPS commander must keep in mind that the contracting officer functions as the "honest broker" for AVMF procurement actions. The AVMF WCO must be completely impartial and impervious to any command influence in the execution of contracting duties.

e. AVMF WCO cannot be the AVMF manager (except those grandfathered).

f. To be appointed as an AVMF WCO, the nominee must complete and pass the USMEPCOM AVMF Contracting Officer's Correspondence Course (app. D). The course also includes an "open book" examination that must be successfully completed by the nominee before being warranted by the Commander, USMEPCOM.

g. Upon receipt of the nomination and enrollment request, HQ USMEPCOM, Resource Management Directorate, Logistics Division (MRM-LO) will send the correspondence course test to the nominee. When the nominee completes the examination, he or she will return it to MRM-LO to be graded. Based upon test results, a contracting officer warrant will be issued within 2 weeks of receipt.

h. The nominee(s) will not perform any contracting functions until he or she is in possession of a signed certificate of appointment **(fig. 7-2).**

i. The contracting officer's authority cannot be delegated. However, at least one ordering officer must be appointed by the contracting officer in writing to help that contracting officer.

j. To terminate a contracting officer's appointment, the MEPS commander must submit a written request to HQ USMEPCOM, MRM-LO **(see fig. 7-3)**. The request must include an effective date of termination and the reason for termination. The request must be received not less than 45 days before the current WCO departs. The MEPS commander simultaneously submits an appointment/ enrollment request for the individual who will assume contracting duties. This will ensure sufficient overlap of the outgoing and incoming individuals as well as allow enough time for the nominee to complete the USMEPCOM AVMF Contracting Officer's Correspondence Course and receive a contracting officer warrant.

7-4. Selection, training, and appointment of AVMF ordering officers

a. In order to assist in the execution of contracting duties, the AVMF WCO will select an individual to assist with contracting functions. This individual is referred to as an ordering officer and is limited to over-the-counter purchases not to exceed $1000 using the DA Form 4066-R (Purchase Record Invoice Voucher). See **figure 7-4** for a completed sample of the form and instructions.

b. The ordering officer will be an officer, enlisted, or civilian employee assigned to the MEPS in the grade of E-4/GS-4 or above.

c. The AVMF warranted contracting officer will appoint in writing an ordering officer, using appointment of an ordering officer memorandum **(fig. 7-5)**. Upon appointment, ordering officers will acknowledge their appointment in writing. A copy of the appointment memorandum will be placed in binder 1.

d. The MEPS AVMF WCO has a direct relationship with and responsibility for all contracting actions taken by the ordering officer. The ordering officer acts as the agent of the AVMF WCO. Therefore, it is critical that the AVMF WCO closely monitor all contracts executed by the ordering officer, periodically

review all ordering officer actions and ensuring all newly appointed ordering officers have read and are thoroughly familiar with chapter 3 of this regulation.

e. The appointment of an ordering officer will remain in effect until the ordering officer is terminated or reassigned. Ordering officer termination will be accomplished in substantially the same format as the WCO.

f. Ordering officers terminate once the WCO terminates. If the WCO leaves before another is appointed no funds may be expended until the new WCO is appointed and he or she appoints new ordering officers.

7-5. Purchase requests

a. General. DA Form 4065-R (Army NAF Purchase Request) **(fig. 7-6)** will be completed by the AVMF manager or assistant manager for all AVMF purchases. The AVMF WCO or ordering officer must acquire an approved 4065-R prior to procurement action. DA Form 4065-R for purchases over $5,000, submitted to the appropriated fund contracting office must be approved and signed by the MEPS commander. Assigned individuals will use the DA Form 4065-R to request AVMF purchase approval. This is the only document the committee will approve for AVMF expenditures such as pizza parties, organization days.

b. Purchases.

(1) For purchases of **$2,500** or less**,** price competition is not required. However, the contracting officer must determine the price to be fair and reasonable prior to placing an order. Purchases of less than $**1,000** will be made using DA Form 4066-R when all of the following conditions apply:

(a) The supplies/services are immediately available.

(b) The amount of the purchase does not exceed **$1000.**

(c) One delivery and one purchase will be made.

(d) The supplies/services will not require technical inspection.

(e) Its use is determined to be more economical and efficient than other methods.

(2) For purchases over **$1000**, the DA Form 4067-R (Order for Supplies or Services/Request for Quotations (Nonappropriated Funds)) will be used. See **figure 7-7** for a completed sample of form and instructions.

(3) For purchases of **$2500** or more, price competition is required, unless only one supplier is available to perform. Generally price quotes should be solicited orally. However, written solicitation will be used for proposed service type contracts over **$2500.** Written solicitations may be used when:

(a) A large number of line items are included in a single purchase or detailed specifications are involved.

(b) Obtaining oral quotes is not practical or economical.

(c) The supplier is located outside the local trade area.

HQ USMEPCOM, ATTN: MRM-FP, must approve all purchases of $2500 or more. The AVMF manager will obtain competitive bids prior to requesting approval from HQ USMEPCOM and will be forward with the request.

(4) Oral solicitations. The contracting officer will document solicitations on DA Form 5567-R (Army NAF Solicitation Abstract Form) and will be filed with the resulting purchase order. See **figure 7-8** for a completed sample of form and instructions. Competition exists when the following conditions were met:

(a) Offers were solicited from at least three responsible offerors.

(b) All offers were submitted independently of each other.

(c) At least two offers were received.

(5) Purchases over **$1000** will be made using DA Form 4067-R. Purchase orders issued on DA Form 4067-R can either be unilateral or bilateral. A unilateral purchase order, signed by the contracting officer, neither creates a contract nor ensures that the vendor will perform in accordance with the terms of the order. A bilateral purchase order is signed by both the contracting officer and the vendor and is a binding contract. Use of a bilateral purchase order should be considered:

(a) When time of delivery or performance is critical.

(b) When the contracting officer has experienced problems with the vendor in the past.

(c) The contract is for services. (Entertainment contracts must be issued on a bilateral basis.)

(6) Modifications of purchase orders will be in writing and issued on DA Form 4073-R (Amendment of Solicitation/Modification of Contract (Nonappropriated Funds)). Modifications can also be unilateral or bilateral. However, modifications to bilateral purchase orders must also be issued as bilateral. Cancellations of purchase orders will be issued on a bilateral basis.

(7) Purchases greater than $**5,000** will be submitted to an appropriated fund contracting office using the DA Form 4065-R. In addition, complex contracts, regardless of dollar amount, may also be submitted to an appropriated fund contracting office for execution.

7-6. Filing of purchase documents

The AVMF WCO will maintain the original purchase order file. Files will be prepared using file number 215-e. Files will be kept by FY and filed numerically. The AVMF WCO's files will be destroyed after 3 years.

7-7. Concessionaire contract procedures

a. Each MEPS with vending and/or amusement machines as the primary source of AVMF income will have a nonappropriated fund contract which covers the operation of such machines.

b. The appropriated fund contracting officer who supports the MEPS or MRM-LO, on a case-by-case basis, will award the AVMF concessionaire contracts. (MRM-LO will be considered for those MEPS who are being charged for contracting support).

c. The AVMF manager will begin coordination with the supporting appropriated fund contracting

office NLT 120 days prior to expiration of the existing concessionaire contract. The fund manager will also assemble the procurement package, as required by the contracting office, which will include the following as applicable:

(1) DA Form 4065-R (Army NAF Purchase Request) **(fig. 7-6).**

(2) DA Form 4071-R (Schedule (Nonappropriated Funds)) **(fig. 7-9).**

(3) Written request for appointment of a contracting officer's representative (COR) (par. 7-9).

(4) A Statement of Work (SOW) (par. 7-10).

(5) Instructions for the completion of a procurement package are located in paragraph 7-5.

7-8. Exercising contract options

a. In some cases, concessionaire contracts include renewal options that allow the MEPS to request continuation of the existing contract for a specified period of time, normally another year. The AVMF manager should discuss exercising contract options with the respective purchasing and contracting office not less than 60 days prior to expiration of the current option year. This will ensure that all of the needed forms and information are submitted to the contracting office with a sufficient contract administrative lead-time.

b. Should the MEPS commander decide not to exercise renewal options for the existing contract, a new procurement package must be assembled and submitted to the purchasing and contracting office NLT 120 days prior to contract expiration.

7-9. Contracting officer representative (COR)

The AVMF manager will be appointed by the supporting contracting office as the COR for the AVMF concessionaire contracts. The COR is not authorized to initiate, negotiate, or award concessionaire contracts. The COR is responsible for monitoring the concessionaire contract in the MEPS, documenting any poor performance, and conducting continuous dialogue with the respective purchasing and contracting office that has awarded the concessionaire contract. The COR acts as an agent of the purchasing and contracting office and must work with the contractor to ensure that the terms and conditions of the concessionaire contract are being fulfilled by the contractor and the MEPS. Specific COR duties will be provided in writing by the respective purchasing and contracting officer when the AVMF concessionaire contract is awarded.

7-10. Statement of work (SOW)

a. A sample vending machine SOW is provided at appendix E; a sample amusement machine SOW at appendix F.

b. AVMF managers will communicate directly with the supporting purchasing and contracting office for any additional, local requirements.

7-11. Contract file

A copy of the current concessionaire contract will be maintained in binder 1 by the MEPS AVMF manager as the COR.

7-12. Contract review and payment

a. The COR will closely examine the AVMF contract awarded by the respective purchasing and contracting office to ensure that responsibility for loss or damage to machines are specifically identified as the contractor's responsibility. The contractor is required to carry all insurance and pay applicable taxes and fees required by city, State, and Federal laws.

b. The AVMF contract should clearly state that all payments by the contractor to the AVMF must be made by check, payable to the respective MEPS AVMF, and sent to the MEPS NLT the 10th day of the following month.

c. The building block of the AVMF accounting file is the DA Form 2107 (Nonappropriated Fund Receipt and Disbursement Voucher). This form will be used to record all income, disbursements, lateral transfers, and/or statements of droppage.

(Appropriate Letterhead)

(Office symbol) (215) (Date)

MEMORANDUM FOR Commander, U.S. Military Entrance Processing Command, ATTN: MRM-LO, 2834 Green Bay Road, Chicago, IL 60064-3094

SUBJECT: Request for Appointment/Enrollment

1. Request appointment of the following individual as AVMF WCO and enroll-ment in the USMEPCOM AVMF Contracting Officer's Correspondence Course.

a. NAME: (include rank).

b. Present duty title.

c. Length of assignment to the MEPS.

2. Appointment of the nominee as AVMF warranted contracting officer is contingent upon successful completion of the correspondence course and material and examination.

3. Point of contact for this request is (provide name and working telephone number).

COMMANDER'S SIGNATURE BLOCK

Figure 7-1. Sample of a request for appointment/enrollment

(Appropriate Letterhead)

(Office Symbol) (Date)

CERTIFICATE OF APPOINTMENT

Pursuant to authority vested in the undersigned and in accordance with USMEPCOM Reg 215-1,

(NAME OF NOMINEE)

is hereby appointed

AVMF WARRANTED CONTRACTING OFFICER

Effective (Date)

for nonappropriated fund procurement conducted under the cognizance of

COMMANDER

U.S. MILITARY ENTRANCE PROCESSING COMMAND

subject to the limitations in cited regulation and to a limited dollar authority of $5,000 to enter into contractual actions on behalf of nonappropriated fund instrumentalities.

Unless sooner revoked, this appointment will be issued to the appointed named herein who is assigned to the Military Entrance Processing Station (name of MEPS).

Commander's Signature Block

Figure 7-2. Sample of a Certificate of Appointment

(Appropriate Letterhead)

(Office symbol) (215) (Date)

MEMORANDUM FOR Commander, U .S. Military Entrance Processing Command,
2834 Green Bay Road, North Chicago, IL 60064-3094

SUBJECT: Request for Termination of Nonappropriated Fund Contracting Officer Warrant

1. Request termination of AVMF nonappropriated fund contracting responsibility of the following individual:

a. NAME: (Include rank).

b. DESIRED EFFECTIVE DATE OF TERMINATION:

c. REASON FOR TERMINATION:

2. Point of contact for this request is (provide name and working telephone number).

COMMANDER'S SIGNATURE BLOCK

Figure 7-3. Sample of a request for termination of AVMF contracting officer warrant

PURCHASE RECORD - INVOICE - VOUCHER
(Nonappropriated Funds)
For use of this form, see AR 215-4; the proponent agency is DCSPER

DATE OF ORDER	ORDER NO.
1 October 1994	95-01

PRINT NAME & ADDRESS OF SELLER *(Number, Street, City, State, & ZIP Code)*
PAYEE
Sears
1234 Harris Street
Seattle, Washington 98121

FURNISH SUPPLIES OR SERVICES TO *(Name and address)*
Seattle MEPS
2901 3rd Avenue
Seattle, Washington 98121

SUPPLIES OR SERVICES	QUANTITY	UNIT PRICE	AMOUNT
VCR	1	250.00	250.00

NAFI NAME AND BILLING ADDRESS
PAYOR

TOTAL 250.00
DISCOUNT TERMS % DAYS
DATE INVOICE RECEIVED 1 OCT 99

ORDERED BY *(Signature and Title)*

PURPOSE AND ACCOUNTING DATA

PURCHASER - To sign below for over-the-counter delivery of items.
RECEIVED BY

TITLE Ordering Officer
DATE 1 Oct 94

SELLER - Please read instructions

_____ PAYMENT RECEIVED $
_____ PAYMENT REQUESTED $

No Further Invoice Need Be Submitted

SELLER *(Signature)*
BY *(Signature)*
DATE

I certify that this account is correct and proper for payment in the amount of
$ _____
Authorized certifying officer

DIFFERENCES
ACCOUNT VERIFIED:
CORRECT FOR
BY

PAID BY _____ CASH
OR *(Check No.)*
DATE PAID
VOUCHER NO.

DA FORM 4066-R, MAR 82 EDITION OF MAY 72 IS OBSOLETE
USAPPC V1.00

Figure 7-4. Sample of a DA Form 4066-R and instructions

DA Form 4066-R Instructions

Block 1 (Date of Order). Enter date of purchase.

Block 2 (Order Number). Enter last two digits of FY contract number.

Block 3 (Print name and complete address of seller).

Block 4 (Furnish name and complete address of ordering activity).

Block 5 (Supplies or Services). The supplies or services, quantity, unit price, and that the amounts are accurate and complete.

Block 6. Leave blank (N/A for AVMF).

Block 7. Total amount of all items from block 5.

Block 8. Leave blank (N/A for AVMF).

Block 9. The AVMF contracting officer or ordering officer who places the order will print and sign his or her name.

Block 10. Leave blank (N/A for AVMF).

Block 11. The contracting officer or ordering officer will enter his or her signature, date, and title.

Block 12. Enter the amount paid in the “Seller/Payment Received” block and enter none in the “Seller/Payment Requested” block: you must also obtain the seller’s signature and date.

Do not complete any blocks after block 12.

Figure 7-4. Sample of a completed DA Form 4066-R and instructions - continued

MEPS LETTERHEAD

(Office Symbol) (215) Date

MEMORANDUM FOR_____
(individual name)

SUBJECT: Appointment of Ordering Officer

1. Appointment. Under AR 215-4 and USMEPCOM Reg 215-1, you are appointed as an ordering officer for the purpose set forth in paragraph 2 below. Your appointment shall become and shall remain effective until you are re-assigned or your employment is terminated. You are responsible to and under the technical supervision of the appointing authority for your actions as an ordering officer.

2. Authority, Limitations, and Requirements. Your appointment is subject to the use of the method(s) of purchase and to the limitations and requirements stated below:

a. Subject to your ensuring that funds are available, you may make purchases using DA Form 4066-R (Purchase Record-Invoice-Voucher (Non-appropriated Funds)) provided all of the following conditions are satisfied:

(1) The aggregate amount of the purchase transaction is not in excess of $1,000. You may not split purchases to avoid this monetary limitation.

(2) Supplies and nonpersonal services are immediately available.

(3) One delivery and one payment shall be made.

(4) The supplies or services purchased do not require technical inspection.

(5) The use is determined to be more economical and efficient than use of other small purchase methods.

b. You are responsible for redistribution of completed DA Forms 4066-R in accordance with instructions on the reverse side of the form.

c. You may not redelegate your authority under this appointment to any other person.

3. Standards of Conduct and Procurement Reporting Requirements.

a. You shall comply with the Standards of Contract prescribed in AR 600-50, Standards of Conduct for Department of the Army Personnel, and shall review the regulation semiannually.

b. You shall furnish the Contracting Officer to whom you are responsible, such information as he or she may require for procurement reporting purposes in the manner and at the time specified by the Contracting Officer.

Figure 7-5. Sample appointment of an ordering officer memorandum

4. Termination of Appointment.

a. Your appointment may be revoked by written notice at any time by the undersigned authority or his or her successor.

b. Should you be reassigned from your present position or should your employment be terminated while this appointment is in effect, you shall promptly notify the appointing authority in writing so that your appointment may be terminated.

(Signature)
Contracting Officer

Receipt acknowledged:
_____

Figure 7-5. Sample appointment of an ordering officer memorandum - continued

M TAB TAB TAB TAB TAB TAB TAB TAB

ARMY NAF PURCHASE REQUEST
For use of this form, see AR 215-4; the proponent agency is DCSPER

1. NAFI ADDRESS
Boston MEPS
495 Summer Street
Boston, MA 02210-2109

TELEPHONE NUMBER (123) 456-7890

2. REQUEST NO.
99-01

3. DATE
09 Feb 99

4. **ITEMS BEING REQUESTED**

ITEM NO. *a*	DESCRIPTION OF ITEM/SERVICE *b*	QUANTITY *c*	UNIT *d*	EST UNIT PRICE *e*	ESTIMATED AMOUNT *f*
1.	Amusement vending machines to include the following:				
	Electronic video game machines	5	EA		0.00
	Electronic pinball machines	3	EA		0.00
	Pool table w/equipment	2	EA		0.00

5. REQUESTED DELIVERY DATE
01 Apr 99

6. DELIVER TO
Same as Block 1

7. ___ SOLE SOURCE JUSTIFICATION ATTACHED

8. REQUESTOR'S SIGNATURE AND PRINTED NAME
/s/

9. NAFI FUND MANAGER'S SIGNATURE AND PRINTED NAME
/s/
CPT Robert Jones

10. FUNDS ARE AVAILABLE IN THE AMOUNT OF:
$ _____

11. ACCOUNTING DATA

12. TYPE TITLE OF CERTIFYING OFFICIAL SIGNATURE DATE:

13. REMARKS

APPROVAL/DISAPPROVAL AND DATE ***(if applicable)***

14. INSTALLATION COMMANDER'S SIGNATURE AND PRINTED NAME DATE:

DA FORM 4065-R, FEB 87 EDITION OF SEP 86 IS OBSOLETE USAPPC V2.01

Figure 7-6. Sample of a DA Form 4065-R and instructions

DA Form 4065-R Instructions

Block 1: Enter MEPS complete address.

Block 2: Enter last two digits of FY and contract number.

Block 3: Date form was filled out.

Block 4a: First item number 0001, second item number 0002.

Block 4b: Item description, any specification requirement, warranty, suggested model, suggested source, any delivery charges, and total estimated cost.

Block 4c: Enter quantity.

Block 4d: Enter unit of issue.

Block 4e: Estimated of cost per item.

Block 4f: Estimated of total cost for all items.

Block 5: Enter the date the item will be delivered.

Block 6: Enter the MEPS address.

Block 7: Not required.

Block 8: Enter contracting officer’s name, title, and signature.

Block 9: Enter AVMF manager’s name, title, and signature.

Block 10: Enter total cost of all items, to include freight if required.

Block 11: Enter the date and paragraph of the approved committee minutes authorizing this purchase.

Block 12: Contracting officer’s name, title, signature, and date.

Block 13: Remarks and contracting officer's telephone number.

Block 14: MEPS commander’s name, title, signature, and date.

Figure 7-6. Sample of a DA Form 4065-R and instructions - continued

M TAB TAB TAB TAB TAB TAB TAB

ORDER FOR SUPPLIES OR SERVICES/REQUEST FOR QUOTATIONS ***(Nonappropriated Funds)***
For use of this form, see AR 215-4; the proponent agency is ODCSPER

PAGE OF 1

(Check Appropriate Item)

___ **Order for Supplies or Services-** No appropriated funds of the United States shall become due or be paid the contractor by reason of this delivery/purchase order.

___ Request for Quotation No. _____
Return _____ copies of this quote by: _____
_____ This is not an order. Supplies are of domestic origin unless otherwise indicated by the quoter. The fund reserves the right to consider quotations or modifications thereof received after the date indicated should such action be in the interest of the fund. This is a request for information and quotations furnished are not offers. When quoting complete blocks **9, 10, 15a, 20, 21, 22.** If you are unable to quote, please advise. This request does not commit the fund to pay any cost incurred in preparation of this quotation or to procure or contract for supplies or services.

1. CONTRACT/PUR ORDER NO.	2. DELIVERY ORDER NO.	3. DATE	4. PURCHASE REQUEST NO.
NAFBM2-99-T-0005		8 Feb 99	99-01

5. ISSUED BY	6. ADMINISTERED BY *(If other than 5)*	
HQ USMEPCOM ATTN: MRM-LO 2834 Green Bay Road North Chicago, IL 60064-3094	Same as block 5	**MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER**
7. NAME AND ADDRESS OF CONTRACTOR/QUOTER Action Jackson Amusement, Inc. 87 Broadway Route 99 Malden, MA 02148	8. DELIVER TO DESTINATION BY: 01 Apr 99 10. DISCOUNT TERMS NET	9. DELIVERY FOB ___ DEST ___ OTHER *(See Schedule if other)*
11. SHIP TO Boston Military Entrance Processing Station 495 Summer Street Boston, MA 02210-2109	12. PAYMENT WILL BE MADE BY N/A	13. MAIL INVOICE TO ADDRESS SHOWN IN BLOCK _____

14. TYPE OF ORDER

___DELIVERY-This delivery order is subject to instructions contained on this form only and is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.

___PURCHASE-Reference your quote _____ furnish the following on terms specified herein. Contract Clauses and Special Requirements, both attached; and delivery as indicated.

___If Checked, Contractor shall sign "ACCEPTANCE" in block 15b. and return _____ copies.

15a. FOR USE WHEN FORM IS USED FOR REQUEST FOR QUOTATIONS *(QUOTER IS TO COMPLETE THIS BLOCK).*

PRINTED NAME OF QUOTER SIGNATURE DATE

15b. FOR USE WHEN CONTRACTOR'S SIGNATURE IS REQUIRED FOR ACCEPTANCE OF ORDER

ACCEPTANCE

THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

NAME OF PERSON AUTHORIZED TO SIGN AND TITLE SIGNATURE DATE

16. ITEM NO.	17. SCHEDULE OF SUPPLIES/SERVICES	18. QUANTITY ORDERED/* ACCEPTED	19. UNIT	20. UNIT PRICE	21. AMOUNT
000.1	Concessionaire contract in accordance with the attached statement of work.				

* If qty accepted by the fund is same as qty ordered, indicate by √ mark.
* If different, enter actual qty accepted below and circle.

22. TOTAL
23. DIFFERENCES

24. PRINTED NAME AND SIGNATURE OF CONTRACTING OFFICER AND DATE

25. AMOUNT VERIFIED CORRECT FOR PAYMENT

26. QUANTITY IN COLUMN 18 HAS BEEN:
___ INSPECTED ___ RECEIVED ___ ACCEPTED AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED
___ PARTIAL
___ FINAL

SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE DATE

27. CHECK NUMBER

28. DATE OF CHECK

29. TYPE OF PAYMENT
___ COMPLETE
___ PARTIAL
___ FINAL

30. SIGNATURE AND TITLE OF PAYMENT OFFICIAL DATE

DA FORM 4067-R, FEB 87 EDITION OF SEP 86 IS OBSOLETE USAPPC V1.00

Figure 7-7. Sample of a completed DA Form 4067-R and instructions

DA Form 4067-R Instructions

Block 1. Delete or "X" out the word Contract and enter the next purchase order number.

Block 2. Write N/A.

Block 3. Enter today's date.

Block 4. Enter the purchase order number from block two of DA Form 4065-R.

Block 5. Enter the MEPS complete address.

Block 6. Leave Blank.

Block 7. Enter the complete name, address, and point of contact of the vendor.

Block 8. Enter the date on which delivery or performance is required.

Block 9. Free on Board (FOB) destination is the preferred method for supplies delivered within the Continental US. FOB other, means "other than destination" and should only be used when it is unavoidable or more cost effective. In this case, it is advisable to have the supplier pay freight and add the cost to the invoice as a separate item. The freight charge provided by the supplier should be shown in the amount column (block 21) and should also be included in the total cost of the order (block 22).

Block 10. Enter N/A.

Block 11. Enter the complete address of the MEPS and the contracting officer phone number.

Block 12. Enter the MEPS complete address, the fund manager name, and phone number.

Block 13. Enter # 12.

Block 14. Check the block marked "purchase." The blank is provided for an explanation of pricing. Such terms as "published price list," "catalogue," "verbal quotation per Mr./Ms. Whoever on 3 Jan 95" are sufficient.

Block 15. For bilateral purchase orders, check the line for ACCEPTANCE in block 14 and enter the number of copies of the purchase order to be returned to the issuing office. The contractor will show their acceptance of the order by signing block 15b and returning the designated number of copies to the issuing contracting officer.

Block 16. The item number refers to the line item number for the supplies or services. It does not include shipping charges, discounts, shipping instructions, warranties, etc.

Block 17. This section refers to the description of the supplies or services being ordered.

Block 18. Enter the quantity of each line item being ordered.

Figure 7-7. Sample of a completed DA Form 4067-R and instructions - continued

Block 19. The unit refers to the packing destination, such as "each," "case," "bundle," "carload," or "lot."

Block 20. Enter the unit price of the item.

Block 21. Multiply the unit price of each item by the number of units and enter that figure as the total amount of the line item.

Block 22. Enter the total amount of the purchase order.

Block 23. Leave blank.

Block 24. Enter the contracting officer name, signature, and date.

Block 25. Enter the amount that the check was written for.

Block 26. Enter an “X” in the inspection, received, and final block. The contracting officer signature and date must also be entered in this block.

Block 27. Enter the check number.

Block 28. Enter the date of the check.

Block 29. Enter an “X” in the final block.

Block 30. Enter the name and signature of the fund manager and date.

Figure 7-7. Sample of a completed DA Form 4067-R and instructions - continued

PAGE 1 OF 1

ARMY NAF SOLICITATION ABSTRACT FORM

For use of this form, see DA PAM 215-4; the proponent agency is DCSPER

1. PURCHASE REQUEST NUMBER: 0001
2. REQUESTING ACTIVITY: Chicago MEPS
3. BUYER'S NAME *(PRINT)*: Joe Blue
4. REMARKS

5. VENDORS			
NAME *a.*	Holiday Inn	Sheraton Inn	Courtyard - Mariott
TELEPHONE NUMBER *b.*	502-555-0123	502-555-4567	502-555-9879
QUOTER *c.*	Martha Smith	Bill Anderson	Kathy Thompson
DEL: *d.*			
DISC: *e.*	Net 30	Net 10	1% 10
FOB *f.*			
( ) DEST			
( ) OTH			
( ) GSA			
( ) NAF			
(X) CM			
( ) OTHER *g.*			

6. NO. *a.*	ITEM/SERVICE *b.*	QTY *c.*	7. PRICE *a.* UNIT	EXT.	PRICE *b.* UNIT	EXT.	PRICE *c.* UNIT	EXT.	PRICE *d.* UNIT	EXT.
		1	500.00	500.00	350.00	350.00	250.00	250.00		0.00
		75	25.95	1,946.25	30.00	2,250.00	22.95	1,721.25		0.00
		4	50.00	200.00	75.00	300.00	100.00	400.00		0.00
8.	TOTAL *(SUBTOTAL) (ESTIMATED FREIGHT)*	80		2,646.25		2,900.00		2,371.25		0.00

DA FORM 5567-R, OCT 86 USAPA V1.00

Figure 7-8. Sample of a completed DA form 5567-R and instructions

DA Form 5567-R Instructions

Block 1 (Purchase Request Number). Enter the purchase request number from block 2 of DA Form 4065-R.

Block 2 (Requesting Activity). Enter MEPS name.

Block 3 (Buyer's Name). Enter the AVMF manager's name.

Block 4 (Remarks). Enter any information from block 13 of DA Form 4065-R.

Block 5 (Vendors):

a (Name). Name of company or vendor's business.

b (Telephone Number). Vendor's telephone number.

c (Quoter). Name of person quoting the price.

d (DEL). The date the item(s) will be delivered.

e (DISC). Enter N/A if there are no payment terms, or enter the payment terms (i.e., - 1% 10, net 30).

f (FOB). Enter the amount of freight cost if applicable.

(1) DEST. Check "DEST" if the vendor is paying the shipping cost.

(2) OTH. Check "OTH" if the MEPS is paying the shipping cost.

g (GSA, NAF, OM, Other). Enter an "X" in the GSA block if the vendor has a GSA schedule contract. Enter an "X" in the NAF block if the item(s) will be purchased at a post exchange or Navy exchange. Enter an "X" in the OM block if the item will be purchased in the open market. Enter an "X" in the "Other" block if purchasing from the supply system, mandatory sources, etc.

Block 6:

a (No.) Record the item from DA Form 4065-R, block 4a.

b (Item/Service). Record the item from DA Form 4065-R, block 4b.

c (Qty). Record the item from DA Form 4065-R, block 4c.

Block 7, a through d, (Price): Each price column is separated into two subcolumns. In the subcolumn "Unit," enter the unit price quoted by the vendor for each line item. In the subcolumn "Ext," multiply the quanity in block 6c by the unit price and enter the total in the "Ext" column.

Block 8 (Total). Enter the total price for each vendor. This figure should include (shown separately) the estimated freight or delivery cost if any.

Figure 7-8. Sample of completed DA Form 5567-R and instructions - continued

M TAB TAB TAB TAB TAB

SCHEDULE (Nonappropriated Funds)

For use of this form, see AR 215-4; the proponent agency is DCSPER

SOLICITATION NO.

NAFFE2-99-R-0001

1. A DESCRIPTION OF THE GOODS AND/OR SERVICES TO BE FURNISHED, THE SPECIFICATIONS, THE DISCOUNTS, THE TIME AND THE PLACE OF DELIVERY, AND ANY OTHER TERMS AND CONDITIONS APPLICABLE TO THE PROPOSAL, ARE SET FORTH BELOW OR ATTACHED HERETO.

2. ITEM NO. *a*	DESCRIPTION OF ITEM/SERVICE *b*	QUANTITY *c*	UNIT *d*	UNIT PRICE *e*	ITEM PRICE *f*
	Offeror shall indicate the feel he or she will pay to the fund from the gross amout realized from all machines listed below				
0001	Base Contract Period - 01 Apr 99 through 31 Mar 00				
0001A	Electronic Amusement (Video) Game Machines 8 EA 50% AVMF 50% Concessionaire				
0001B	Pool table w/equipment 2EA 50% AVMF 50% Concessionaire				
0002	First Option Period - 01 Apr 00 through 31 Mar 01				
0002A	Electronic Amusement (Video) Game Machines 8 EA				
0002B	Pool table w/equipment 2 EA 50% AVMF 50% Concessionaire				

3. NAME OF OFFEROR

Joe Flowers Amusement and Vending Machine, Inc.

DA FORM 4071-R, OCT 86 EDITION OF MAR 82 IS OBSOLETE USAPPC V1.00

Figure 7-9. Sample of a completed DA Form 4071-R and instructions

DA Form 4071-R Instructions

Block 1: Prefill

Block 2a: (Item number) First number 0001., second item number 0002.

Block 2b: (Description of Item/Service) (For example: Brief description of the supplies or services. Item name/number, national stock number/part number, if applicable). This includes incidental deliverables such as manuals and reports.

Block 2c: (Quantity) Self explanatory.

Block 2d: (Unit) Self explanatory.

Block 2e: (Unit Price) Self explanatory.

Block 2f: (Item Price) Self explanatory.

Block 3: (Name of offeror) Name of offering contractor.

Figure 7-9. Sample of a completed DA Form 4071-R and instructions - continued

Appendix A
References

Section I
Required Publication(s) (The publication(s) the user needs to comply with this publication)

AR 215-4[3]
Nonappropriated Fund Contracting. Cited in paragraph D-15.

Section I1
Related Publication(s) (These publications are merely a source of additional information. The user may read them to better understand the subject, but does not have to read them to understand or comply with this regulation.)

DOD Directive 1015.1[2]
Establishment, Management and Control of Nonappropriated Fund Instrumentalities

DOD Directive 1015.6[2]
Funding of Morale, Welfare, and Recreation Programs

DOD Instruction 1000.15[2]
Private Organizations on DOD Installations

DOD Instruction 1015.12[2]
Operational Policies for Morale, Welfare, and Recreation (MWR)

USMEPCOM Reg 11-4[1]
Management Control

Section III
Required Form(s) (The form(s) needed to comply with this publication.)

DA Form 1348-1[3]
DOD Single Line Item Release/Receipt Document. Cited in paragraph 6-8d(5).

DA Form 1992[3]
NAF Receipt Voucher. Cited in paragraph 5-10d.

DA Form 2028[3]
Recommended Changes to Publications and Blank Forms. Cited in the "Suggested improvements" paragraph.

Notes:

1. Available in the USMEPCOM Electronic Pubs/Forms Library
2. Available in http://web7.whs.osd.mil/
3. Available in DA Pam 25-30 (cd-rom) and http://www.usapa.army.mil/

DA Form 2062[3]
Hand Receipt/Annex Number. Cited in paragraph 6-4.

DA Form 2107[3]
Nonappropriated Fund Receipt and Disbursement Voucher. Cited in paragraph 4-3(a).

DA Form 4065-R[3]
Army NAF Purchase Request. Cited in paragraph 7-5a.

DA Form 4066-R[3]
Purchase Record Invoice-Voucher (Nonappropriated Funds). Cited in paragraph 7-4a.

DA Form 4067-R[3]
Order for Supplies or Services/Request for Quotations (Nonappropriated Funds). Cited in paragraph 7-5b(2).

DA Form 4071-R[3]
Schedule (Nonappropriated Funds). Cited in paragraph 7-7c(2).

DA Form 4073-R[3]
Amendment of Solicitation/Modification of Contract (Nonappropriated Funds). Cited in paragraph 7-5b(6).

DA Form 4083-R[3]
Vending or Amusement Machine Collections. Cited in paragraph 5-10d.

DA Form 5567-R[3]
Army NAF Solicitation Abstract Form. Cited in paragraph 7-5b(4).

Section IV
Prescribed Forms (This is the form(s) created by this regulation. Users must use the form(s) to comply with regulation.)

USMEPCOM Form 215-1-4-R-E[1]
Shared Cost Collection Roster. Cited in paragraph 4-3a.

USMEPCOM Form 215-1-5-R-E[1]
Certificate of Fund Transfer. Cited in paragraph 5-2b (i).

USMEPCOM Form 215-1-6-R-E[1]
Petty Cash Disbursement Roster. Cited in paragraph 2-2.

Notes:

1. Available in the USMEPCOM Electronic Pubs/Forms Library
2. Available in DA Pam 25-30 (cd-rom) and http://www.usapa.army.mil/

USMEPCOM Form 215-1-7-R-E[1]
Stamp Control Log. Cited in paragraph 4-4e.

Section V
Prescribed File Numbers (The file number(s) this regulation prescribes the user to file specific documents under.)

215
General morale, welfare and recreation correspondence file. Cited in paragraph 5-2b(1).

215-5e
NAF accounts. Cited in paragraph 5-2b(1).

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Appendix B
Management Control Evaluation Checklist – Amusement Vending Machine Fund

B-1. Function
To provide the MEPS commander a self-assessment tool of AVMF operations covering six functional areas and insight on how the fund would rate during an inspection. This standard checklist was designed for easier tracking of systemic problems and prioritization of training resources. Emphasis is on internal controls over cash accountability and disbursements.

B-2. Purpose
All inspections or reviews shall use the checklist contained in this appendix. This checklist incorporates tests of internal controls, as well as compliance to critical regulatory requirements. The purpose of this checklist is to assist commanders, managers, and assessable HQ USMEPCOM and MEPS AVMF managers in evaluating the key management controls listed below. It is **not** intended to cover **all** controls.

B-3. Instructions
Answers must be based on the actual testing of key management controls (e.g., document analysis, direct observation, sampling, simulation, other). Answers that indicate deficiencies must be explained and corrective actions indicated in the supporting documentation. These controls must be evaluated at least once every 2 years. Certification that the evaluation has been conducted will be done on DA Form 11-2-R (Management Control Evaluation Certification Statement).

B-4. Functional areas with test questions

The following standard has been established for inspection purposes:

- Individual Functional Area Rating:
  - Commendable - 90 - 100%.
  - Satisfactory - 70 - 89%.
  - Unsatisfactory - receiving a "NO" in any question highlighted, asterisked, or below 70%.
- Overall Rating:
  - Commendable - 90% or higher in five out of six functional areas and a satisfactory or above in the remaining area.
  - Successful - 70% or higher in all functional areas.
  - Satisfactory - 70% or higher in five out of six functional areas.
  - Unsatisfactory – Less than 70% in four out of six functional areas. This will require a follow up visit from the Financial Policy and Systems Division HQ USMEPCOM or in conjunction with Sector HQ to revalidate the AVMF fund.
  - Suspension - less than 70% in three or more functional areas. The total suspension process could be up to 90 days and will require a follow up visit from the Financial Policy Division HQ USMEPCOM or in

conjunction with the Financial Policy and Systems Division HQ USMEPCOM or in conjunction with sector headquarters to revalidate the fund.

a. Functional Area 1 - Administration

(1) Are individuals identified for the following key AVMF positions: *YES NO

(a) AVMF fund manager? (USMEPCOM Reg 215-1, par. 1-4(f)) *YES NO

(b) Assistant AVMF manager? (USMEPCOM Reg 215-1, par. 1-4(g)) *YES NO

(c) AVMF council? (USMEPCOM Reg 215-1, par.1-4(j)) *YES NO

(d) AVMF committee? (USMEPCOM Reg 215-1, par. 1-4(i)) *YES NO

(2) Is the fund manager appointed as the contracting officer representative (COR) by your purchasing and contracting office? (USMEPCOM Reg 215-1, par. 1-4(f)) *YES NO

(3) Is the warranted contracting officer (WCO) appointed by the Commander, USMEPCOM? (USMEPCOM Reg 215-1, par. 1-4(f)) *YES NO

(4) Are no more than five ordering officers appointed by the WCO? (USMEPCOM Reg 215-1, par. 1-4(h)) YES NO

b. Functional Area 2 - AVMF Expenditures - Authorized/Unauthorized

Is the AVMF council ensuring only authorized expenditures are made? (USMEPCOM Reg 215-1, par. 1-4(j)) *YES NO

c. Functional Area 3 - Accounting and Reporting Procedures

(1) Are all accounting records maintained IAW chapter 5? YES NO

(2) Was a USMEPCOM Form 215-1-5-R-E (Transfer of Funds Certificate) completed between the outgoing and the incoming fund manager? (USMEPCOM Reg 215-1, par. 5-3) *YES NO

(3) Is there a DA Form 2107 (NAF Receipt and Disbursement Voucher) for each fund transaction? (USMEPCOM Reg 215-1, par. 5-10) *YES NO

(4) Does the MS Money transaction register record all disbursements and related vouchers? (USMEPCOM Reg 215-1, par. 5-7g) *YES NO

(5) Are fund transactions posted to MS Money with the voucher number and committee minutes posted in the memo column? (USMEPCOM Reg 215-1,par. 5-27g) YES NO

(6) Are the following on file? (USMEPCOM Reg 215-1, par. 5-4)

***Critical area**

(a) Monthly bank statements?. *YES NO

(b) Quarterly income/expense (budget) reports?. YES NO

(c) Randolph - Sheppard Act Report? *YES NO

(d) Annual budget? YES NO

(e) Annual insurance update? *YES NO

(d) Commander's quarterly reviews? *YES NO

(7) Does the MS Money account reconcile with the monthly bank statement? *YES NO
(USMEPCOM Reg 215-1, par. 5-7e)

d. Functional Area 4 - Income

(1) Is there a joint count with a MEPS disinterested person and the vendor, and verified by the AVMF manager/assistant manager? (USMEPCOM Reg 215-1, par. 5-11a(2) YES NO

(2) Is the DA Form 4083-R (Vending or Amusement Machine Collections) filled out completely and are meter discrepancies greater than 5 percent noted in the remarks column? *YES NO
(USMEPCOM Reg 215-1, par. 5-11b)

(3) Does the total income collected reconcile with the vendor's check? *YES NO
(USMEPCOM Reg 215-1, par. 5-11c)

(4) Are vendor checks made payable to the MEPS AVMF and received by the 10th day of the following month? (USMEPCOM Reg 215-1, par. 7-12b) *YES NO

(5) Did the AVMF manager collect all shared costs monies using the shared cost form (USMEPCOM Form 215-1-4-R-E), and was the money deposited money? *YES NO
(USMEPOM Reg 215-1, par. 4-3)

(6) Is the shared cost amount the same as the amount approved in the Committee minutes? (USMEPCOM Reg 215-1, par. 4-3) *YES NO

(7) Does the beginning meter reading track to the ending meter reading? YES NO
(USMEPCOM Reg 215-1, par. 5-11)

(8) Does the vendor commission check reconcile with the DA Form 4083-R?
(USMEPCOM Reg 215-1, par. 5-11) *YES NO

(9) Have all machines been repaired or replaced when the meter reading is wrong for 3 months or more, and has a written request been submitted by the fund manager? *YES NO
(USMEPCOM Reg 215-1, par. 2-2)

***Critical area**

(10) Is the fund manager maintaining a refund log utilizing the appropriate USMEPCOM Form 215-1-6-R-E? (USMEPCOM Reg 215-1, par.5-11) YES NO

e. Functional Area 5 - Property

(1) Is information on property owned by the AVMF, regardless of cost, recorded to the MS Money Property Transaction Record? (USMEPCOM Reg 215-1, par. 6-1) *YES NO

(2) Was the semiannual inventory conducted by the AVMF manager or assistant manager with a disinterested person? (USMEPCOM Reg 215-1par. 6-4) *YES NO

(3) Is property being hand receipted out using DA Form 2062 (Hand Receipt/ Annex Number) and stored in binder 1? (USMEPCOM Reg 215-1, par.6-5) YES NO

(4) Is all AVMF property properly marked? (USMEPCOM Reg 215-1, par. 6-5) YES NO

(5) Are all amusement machines double locked? (USMEPCOM Reg 215-1, par. 6-6) *YES NO

(6) Does the key custodian maintain the keys and sign them out on a control log? (USMEPCOM Reg 215-1, par.6-6) *YES NO

(7) Was property disposed of according to USMEPCOM Reg 215-1, paragraph 6-8. YES NO

(8) Were losses of funds or property over $50 properly reported using a Serious Incident Report (SIR)? (USMEPCOM Reg 215-1, par. 6-2) *YES NO

f. Functional Area 6 - Procurement

(1) Were all purchases made by the AVMF WCO or ordering officer? (USMEPCOM Reg 215-1, par. 7-1) *YES NO

(2) Did the MEPS commander request termination of his or her AVMF WCO NLT 45 days prior to departure or replacement of the incumbent? (USMEPCOM Reg 215-1, par. 7-3j) YES NO

(3) Did the AVMF WCO obtain price competition for all purchases of $2500 or more? (USMEPCOM Reg 215-1, par. 7-5b(1)) *YES NO

(4) Was the competition documented on the DA Form 5567-R and filed with the purchase order? (USMEPCOM Reg 215-1, par. 7-5b(4)) *YES NO

(5) Did the AVMF WCO obtain an approval from HQ USMEPCOM, MRM-FP, prior to making a purchase of $2500 or more? (USMEPCOM Reg 215-1, par. 7-2c) *YES NO

(6) Is the AVMF WCO/ordering officer maintaining the original purchase order file? (USMEPCOM Reg 215-1, par. 7-11) YES NO

***Critical area**

g. Functional Area 7 - Concessionaire Contract Procedures

(1) Is there a copy of a valid contract for operation of vending/amusement machines at the MEPS? (USMEPCOM Reg 215-1, par. 5-2b) *YES NO

Date of Contract:_____

Expiration Date:_____

(2) Has the AVMF manager coordinated with the supporting purchasing and contracting office 120 days before contract expiration, if a new contract is required? *YES NO (USMEPCOM Reg 215-1, par. 7-7c)

B-5 Supersession
This checklist supersedes the checklist in USMEPCOM Reg 215-1, dated 10 March 1995.

B-6 Comments
Help to make this a better tool for evaluating management controls. Submit comments and/or suggested improvements directly to: HQ USMEPCOM, ATTN: MRM-FP, 2834 Green Bay Road, North Chicago, IL 60064-3094.

B-7. Use of DA Form 11-2-R
DA Form 11-2-R (Management Control Evaluation Certification Statement) is designed to document any management control evaluation. Evaluations at the MEPS must be documented on this form. To use the form, just fill in the appropriate blocks. The assessment unit is the MEPS AVMF. The methodology used to conduct the evaluation(s) should be this management control evaluation checklist (block 3). The next block lists who completed the evaluation and when it was conducted. The completion of the remarks block is self-explanatory. The person in charge of the AVMF makes the certification. For a sample of a completed form, see figure B-1.

_____
***Critical area**

MANAGEMENT CONTROL EVALUATION CERTIFICATION STATEMENT For use of this form, see AR 11-2; the proponent agency is ASA(FM).	1. REGULATION NUMBER USMEPCOM Reg xxx-xx 2. DATE OF REGULATION dd/mm/yy
3. ASSESSABLE UNIT Name the area being evaluated	
4. FUNCTION Name the function being evaluated	
5. METHOD OF EVALUATION *(Check one)*	
X a. CHECKLIST Checklist title (if used)	b. ALTERNATIVE METHOD *(Indicate method)*
APPENDIX *(Enter appropriate letter)*	
6. EVALUATION CONDUCTED BY	
a. NAME *(Last, First, MI)* Name, rank, title of person(s) performing the evaluation	b. DATE OF EVALUATION

7. REMARKS *(Continue on reverse or use additional sheets of plain paper)*

1. Certify all evaluations using DA Form 11-2-R (Management control Evaluation Certification Statement)

2. Commanders and managers will evaluate all tasks, as applicable, in their area of responsibility

3. Choose the method of review:
   . .Management Control Evaluation Checklist
   . .existing or other review process (e.g., command inspection program, Internal Review audit, IG inspection)

4. A management control evaluation must:
   . .be detailed, systemic, and comprehensive
   . .determine whether key management controls are in place, being used as intended, and are effective in achieving their purpose
   . .be based on actual testing of the management controls, using one of several approaches: direct observation, file/document analysis, sampling or simulation

5. All evaluations must be supported by documentation that clearly indicates:
   . .who documented the evaluation
   . .when the evaluation was conducted - the date
   . .what methods were used to test key management controls
   . .what management control material weaknesses (MW) (if any) were detected and
   . .what corrective actions were taken

6. Reporting organizations (HQ, directorates, special staff, sectors, MEPS) will maintain copies of their annual statements, along with complete supporting documentation

7. Organizations tracking MWs must maintain documentation on:
   . .status of corrective action(s)
   . .effectiveness of corrective action(s)
   . .validation of corrective action(s)

8. Retention of documentation will be IAW with requirements in USMEPCOM Reg 11-4, Management Control

8. CERTIFICATION	
I certify that the key management controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Management Control Process. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions *(if any)* are described below or in attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent management control evaluation.	
a. ASSESSABLE UNIT MANAGER	
(1) Typed Name and Title	b. DATE CERTIFIED
(2) Signature	dd/mm/yy

DA FORM 11-2-R, JUL 94 EDITION OF JAN 94 IS OBSOLETE USAPPC V2.00

Figure B-1. Sample of completed DA Form 11-2-R

Appendix C
AVMF Electronic Accounting and Reporting Procedures

C-1. Set up MS Money
To run MS Money you must have Windows 3.0 or higher.

a. Put disk 1 into your appropriate drive; it should be your A drive in most cases.

b. Go into "Program Manager" and click on “File” and then “Run.”

c. Type A:\Setup into the command line box, then click on the OK.

d. Next screen should read “Welcome to MS Money 3.0 Installation,” click on the OK.

e. At the Name Information Screen, type your MEPS Name followed by AVMF then click on OK.

f. If all information is correct in the Confirm Name Information Screen, click on OK.

g. The next screen will give you your product ID number; write this number on your MS Money disk 2, then click on the OK.

h. Your directory screen should read C:\MSMONEY; if so, click on OK.

i. Your next screen should be MS money set up and should read C:\MSMoney; if so, click on continue box.

j. Your next screen should be MS Money 3.0 - choose program group. It should read Microsoft Money, click continue.

k. Your next screen should tell you to copy A to C:\MSMONEY\XL2MNY.XLA.

l. Your next screen will ask you to insert disk 2. Once you do, click OK.

C-2. Set up accounts

a. Before you continue, your checking account must be in balance. You will need to use your last bank statement to set up your account.

b. Double click on the “MS Money” icon.

c. Click “File”, then “New” (back-up optional).

d. Now choose the no standard category and click “OK.”

e. Click “OK” to create first account. Type “*Appropriate Organization’s name* AVMF” under account name and ensure the dot is in the bank circle when setting up “Bank Account and Assets” when setting up Property Account.

f. Enter the ending balance from your last bank statement into the opening balance box. When posting property account start with a $0 balance.

C-3. Set up categories

a. Click on “LIST” then “CATEGORY LIST.”

b. Click “AVMF Income Modify,” then make sure black dot is on “Income Category” and repeat for AVMF Expense.

c. Go down to subcategory and enter new income (make sure income is posted under the proper subcategory):

Amusement Machines
Vending Machines
AVMF Property Sales
AVMF Redistribution
Bank Interest
Recycling Program
Shared Cost
Travel Rebate

d. Go back to category list and type AVMF Expense in place of new expense category.

e. Go down to subcategory and enter the following:

Armed Forces Birthday Cakes
Birthday Cakes
Competitive
Hail and Farewell
Luncheons
Operating Expenses
Procurement
Social Events
Sporting Events

C-4. Format account book transactions

a. Enter the check number in the “NUM” block.

b. Tab over to the date and change the date to correspond with the date of the check (mm/dd/yy).

c. Tab over to the “Payee Names” and type the payee’s name on the check.

d. Using the arrow key, go down to the “MEMO” block, enter the committee minutes’ date and paragraph that approved the expenditure and voucher number.

e. Arrow down to the category boxes and choose the correct subcategory.

f. For all deposits that have not cleared, follow the same procedures, except enter “EFT” or “DEP” in the “NUM” block and enter the amount in the deposit block.

C-5. Format property transactions

a. Leave the “NUM” column blank.

b. Under the “DATE” column, enter the date the property was purchased (if unknown, enter an approximate date the property was bought).

c. Under the “PAYEE” column, enter the type of property and quantity. If the item is a serial number item, enter the serial number in the “MEMO” column.

d. Enter the purchase amount under the “INCREASE” column.

C-6. Generate reports

a. Double click on the “MS Money” icon.

b. Click on “File” and “Open Account Book.”

c. Choose reports (Transaction, Income, and Expense Report, etc:).

d. Click on customize and enter MEPS name before report name (change dates to reflect time parameters, if required).

C-7. MS Money property transactions

a. To create a MS Money Property Transaction Record use the following procedures:

(1) From your check register in MS Money, select “FILE” then select “NEW.”

(2) Change file name to “Property.MNY,” then click “OK.”

(3) From your “Create First Account” screen, then click “OK.”

(4) Change account name to MEPS name and AVMF Property (i.e., Albany AVMF Property). Select “Asset” for type of account, then click “OK.”

(5) For open balance enter “00” then click “OK.”

b. To enter your property into your new account, use the following procedures:

(1) Leave the “NUM” column blank.

(2) Under the “DATE” column, enter the date the property was purchased (if unknown, enter an approximate date the property was bought.)

(3) Under the “PAYEE” column, enter the type of property and quantity. If the item is a serial number item, enter the serial number in the “MEMO” column.

(4) Enter the purchase amount under the “INCREASE” column.

c. To print the Property Transaction Record, use the following procedures:

(1) From your Property Account Register, select “Report,” and then “Transaction Record.”

(2) Enter “Customize,” and change title to read “*Appropriate Organization’s name* AVMF,” Property Transaction Record, (i.e., New York AVMF Property Transaction Record).

(3) Enter “view” and then print. You are now ready to close.

Appendix D
Contracting Officer's Correspondence Course

D-1. Objective

a. The objective of this course of instruction on NAF purchasing is to provide the student with enough procurement knowledge to become warranted as an AVMF contracting officer. Successful completion of this course and the exam is required of anyone who will be performing AVMF contracting officer duties.

b. If you have any questions or comments while taking this course of instruction, please address them to HQ USMEPCOM, ATTN: MRM-LO, 2834 Green Bay Road, North Chicago, IL 60064-3094

c. A letter of nomination/enrollment, signed by the MEPS commander, must be sent to HQ USMEPCOM, ATTN: MRM-LO, 2834 Green Bay Road, North Chicago, IL 60064 in order for the nominee to receive a copy of the test. Upon completion of the course, the nominee must take the open book test and forward it to the address above. A score of 80 percent or better is required to pass the course. If the nominee passes the test, a contracting officer's warrant will be prepared and signed by the Commander, USMEPCOM. Upon receipt of the warrant, the contracting officer may begin purchasing with AVMF.

D-2. What is a nonappropriated fund?

a. Most of us, during the course of our military or civilian career, are used to dealing with appropriated funds. These funds are appropriated by Congress for use by the Services. Basically, they are tax dollars being spent to run the Government.

b. Nonappropriated funds (NAF) are just the opposite. They are not appropriated by Congress nor are they tax dollars. They are monies raised by the Services through activities such as noncommissioned officers clubs, bowling centers, golf courses, and other morale, welfare, and recreation activities.

c. Within USMEPCOM, our NAFs are generated by the revenue we receive from amusement and vending machine contracts at the MEPS. These contracts provide that a specific percentage of the revenue earned by the machines in the MEPS be deposited to the MEPS AVMF. These funds are referred to as AVMF.

d. All NAF are considered GOVERNMENT FUNDS and are subject to rules and regulations as stringent as those governing appropriated funds. Although most rules and regulations covering NAF are slightly different from the appropriated fund version, the procurement regulations that govern NAF procurement are similar in many respects to the Federal Acquisition Regulation which governs appropriated fund procurement.

D-3. Standards of conduct

a. A discussion of standards of conduct is especially important today when so many of our present and former procurement officials are experiencing difficulty concerning the way they conducted themselves in carrying out their responsibilities. However, regulations and laws governing standards of conduct are not new. Statutes pertaining to the standards of conduct of Government personnel were enacted as early as 1863 when corruption was discovered in the procurement department of the Union Army. New and/or revised statutes have been enacted throughout the years as times and conditions have changed.

b. Government business must be conducted in a manner that is above reproach. Transactions relating to the expenditure of public funds require unusually high standards of honesty, integrity, impartiality and general conduct to assure proper performance of Government business and to assure that citizens maintain confidence in

the Government. As a Government employee, a NAF contracting officer's official conduct must be such that they would have no reluctance to make full public disclosure of their actions.

c. This unit of instruction will examine DOD Directive 5500.7 (Standards of Conduct), and its applicability for DOD personnel engaged in the acquisition process, specifically the small purchase process.

d. Standard of conduct directives.

(1) DOD Directive 5500.7 (Standards of Conduct) was reissued 6 May 1987. It is based on numerous directives, regulations and laws, including Executive Order 11222, 8 May 1965; Public Law 95-521, "Ethics in Government Act of 1978," 26 October 1978, as amended; and Public Law 96-303, "Code of Ethics for Government Service," 3 July 1980. The directive prescribes standards of conduct and a Code of Ethics for all DOD personnel.

(2) DOD personnel are defined as all civilian officers and employees of all offices, agencies, and DOD departments and all Regular and Reserve component officers and enlisted members of the Army, Navy, Air Force, Marine Corps, and Coast Guard on active duty. Also Reserve component officers and enlisted personnel on inactive duty, and professors and cadets of the military service academies are covered by the definition.

(3) In addition to DOD Directive 5500.7, the Federal Acquisition Regulation, part 3, prescribes policies and procedures for avoiding improper business practices and personal conflicts of interest. Agency and local policies and procedures will further implement the directive.

e. General policy.

(1) Government service or employment is a public trust requiring DOD personnel to place loyalty to country, ethical principles and the law above private gain and other interests. The buyer should become familiar with the scope of their responsibilities and limitations that may be placed on their activities by applicable statutory prohibitions and restrictions. DOD personnel will not make or recommend any action known or believed to be in violation of U.S. laws, executive orders, or applicable directives, instructions, or regulations.

(2) Practices that may be accepted in the commercial business world are not necessarily acceptable for DOD personnel. Specific examples that will be discussed are use of your position for personal gain, release of information, and accepting gifts. Sound judgment must be exercised because you must be prepared to fully account for the manner in which you have used your judgment.

(3) There are certain actions that we call the **"Don’ts of professional conduct."** Even if an action is not specifically addressed in the directive, you must avoid any act that results in, or gives the appearance of, any of the following:

(a) Using public office for private gain.

(b) Giving preferential treatment to any person or entity.

(c) Impeding Government efficiency or economy.

(d) Losing independence or impartiality.

(e) Making a Government decision outside official channels.

(d) Affecting adversely the confidence of the public in the integrity of the Government.

f. Conflicts of interest.

(1) There are times when the buyer's personal interests may conflict with, or be opposed to, those of the public interests of the Government when he or she is carrying out the duties of his or her job. Thus a "conflict of interest" is created. The directive specifically prohibits some actions that could result in a conflict of interest. Even though a "real" or "actual" conflict of interest (violation of one of the prohibitions) does not exist, contracting personnel must avoid a situation where there "appears" to be a conflict. The appearance of the conflict must be avoided because we do not want to give even the slightest hint of a conflict of interest that might undermine the public's confidence in DOD acquisition procedures.

(2) Those prohibitions that a small purchase buyer should be most familiar with are:

(a) Affiliations and financial interests. DOD personnel may not engage in any personal, business, or professional activity or have a direct or indirect financial interest in an activity that will conflict with your duties as a NAF contracting officer. The interests of a spouse, minor child, or household member are treated as yours. For example, purchasing supplies on a Government contract from a business where your spouse is an employee or owner could constitute a conflict of interest. In addition, direct or indirect financial interest in a Defense-related company, in any amount and in any form (stocks, bonds, options), may give an impression of an actual or appendant conflict of interest.

(b) Using inside information. Inside information is information that is generally not available to the public and was obtained through one's official DOD duties or position. Contracting personnel cannot use such information to the personal advantage of themselves or others. For example, your knowledge of the award of a contract to a particular firm should not be the basis for an investment made by or for you or a friend or relative.

(c) Using official DOD position. DOD personnel may not use their position to influence other per-son to benefit themselves or others. Government employees may not solicit contributions for or give a gift to a superior or accept gifts from a subordinate. This does not prohibit voluntary nominal contributions or gifts of reasonable value for personal occasions such as marriage or illness. In addition, there are specific guidelines against use of your title in connection with a commercial enterprise, concerning endorsements for nonprofit organizations, and governing your relationship with DOD contractors.

(d) Release of acquisition information. DOD personnel may not release any information concerning proposed acquisitions by their activity except through authorized procedures. Such information should be released to all contractors as simultaneously as possible. To release such information could give a supplier an unfair advantage. A situation where such information could be released may come up in a conversation with a supplier and appear quite innocent on the part of the supplier. Government personnel should be aware of your agency's policy and procedure for the release of such information and refer the supplier to the proper source. Some of the authorized sources are the "Commerce Business Daily," local newspapers, notices posted in the bid room or reception area, and releases authorized under the Freedom of Information Act.

(e) Commercial dealings involving DOD personnel. To eliminate the appearance of intimidation, coercion, pressure from rank, grade, or position--any undue influence--DOD personnel will not solicit sales from subordinate personnel, on or off-duty. "Personal commercial solicitation" refers to situations where personnel are employed as sales agents on commission, or salary, and have contact with prospective purchasers of real or intangible commodities. This prohibition includes the sale of insurance, stocks, mutual funds, real estate, and other goods and services. This does not include the sale or lease of personal property or a privately-owned former residence (not held for business or commercial purposes). It also does not apply to the off-duty employment of DOD personnel as employees in retail stores or other situations not involving "personal commercial solicitation."

(f) Pursuit of employment. DOD employees may not conduct business for the Government with an organization with which they may be seeking employment or have any arrangement concerning prospective employment. This includes any action that could reasonably be construed as an indication of interest in future employment such as sending letters or resumes, making telephone inquires or failing to clearly reject a proposal of future employment. Any of these actions may affect the performance of your duties.

(g) Outside employment. DOD personnel may not engage in outside employment or other activity, with or without compensation that interferes with or is not compatible with their duties or that may bring discredit on the Government. Outside employment and other business relationships present special problems for personnel who occupy sensitive positions involving classified information or who have significant decision making authority. Under this prohibition, active duty enlisted personnel will normally be precluded from off-duty employment since it might interfere with the customary or regular employment of local civilians in their art, trade, or profession. In addition, although Government employees are encouraged to engage in teaching, writing, or lecturing following the guidelines of the Directive, they cannot focus on their agency's responsibilities, policies, and programs.

(h) Gratuities. Are defined as any gift, favor, entertainment, hospitality, transportation, loan, any other tangible item, and any intangible benefits, including discounts, passes, and promotional vendor training, given or extended to or on behalf of DOD personnel, their immediate families, or households, for which fair market value is not paid by the recipient of the U.S. Government.

D-4. Accepting gratuities

a. A Government employee, or a member of his or her family, should not accept a gratuity from some-one who does business or who may be trying to do business with DOD. This is one of the most important aspects of the directive as it pertains to contracting personnel. Vendors frequently offer gratuities, such as free lunches, liquor, and other gifts, to their suppliers and business associates. DOD personnel are not allowed to either solicit or accept such items, as to do so is a felony. Such acceptance, no matter how innocently tendered or received, may be a source of embarrassment to DOD, may affect your objective judgment, and may impair public confidence in the integrity of the Government. The general rule is **"Do not accept any gift."**

b. There are 17 limited exceptions to the prohibition of accepting gratuities. (They are listed in full text at D.3.a. (1)-(17)). The ones you are most likely to encounter are listed below. You may:

(1) Accept unsolicited advertising or promotional items that are less than $10 in retail value.

(2) Accept unsolicited trophies, entertainment, prizes, or awards for public service or achievement or given in games or contests clearly open to the public.

(3) Accept benefits available to the public, such as scholarships.

(4) Participate in civic and community activities that may be subsidized by a contractor.

(5) Attend vendor training sessions for products provided under contract to the Government.

(6) Exchange gifts from friends and relatives when it is clear that it is the relationship and not your position that is the cause of the exchange.

(7) And, if in the good judgment of you or your supervisor, the Government's interest would be served by participating in an otherwise prohibited activity, you may do so; however, a written report will be made in

advance, or if not possible, within 48 hours of the activity to your local Designated Agency Ethics Official (DAEO).

D-5. Reporting gratuities
If you receive a gratuity that is not covered by one of the exceptions, you should promptly report it to your supervisor.

D-6. Use of Government facilities, property, and personnel

a. This is another area where abuse easily occurs. It is a duty to protect and preserve Government Property. Use is prohibited, except for official Government business, Government property, facilities, or personnel. Examples are: telephone calls, stationery, stenographic services, typing assistance, duplication equipment, and computer facilities.

b. DOD clearly states that the office telephones are to be used for "official use" only, which means service in direct support of the Government or as otherwise defined by the DOD component. Although the GSA has recently revised its regulation to "permit federal employees to make reasonable use of Government telephone systems," DOD has not yet revised its position. Therefore, questions regarding personal use of the office telephone should be directed to an authority at your activity.

c. An exception to this prohibition would be the use of Government facilities, property and personnel to promote authorized community relations. For example, at DISC, an Explorer Post used the computer facilities for their meeting and Fort A.P. Hill has hosted the Boy Scouts Jamboree.

D-7. Gambling, betting and lotteries
Government personnel may not participate in any unauthorized gambling activity while on any Government property or on duty for the Government. Therefore, office football pools are prohibited! An exception to this is that blind vendors who operate snack bars on DOD property may sell state lottery tickets if they are licensed by the State.

D-8. Indebtedness
DOD personnel must pay their financial obligations in a timely manner, particularly those imposed by law (taxes).

D-9. Procedures

a. Reporting suspected violations.

(1) Suspected violations of a criminal statute or the directive should be reported to the immediate supervisor of the person suspected.

(2) A report of any violation may be made to the DOD Inspector General.

(3) DOD personnel must cooperate with an official investigation of a possible violation.

b. Resolving a real or appendant violation.

(1) Resolution of real or appendant violations must be accomplished promptly at the lowest possible command level. Detailed procedures for responsible persons are in enclosure 11 of the directive.

(2) Resolution of a violation will be accomplished by using one or more of the following:

(a) Disqualification from particular official actions. See appendix F-2,d. (from the directive).DOD personnel who have affiliations or financial interests that create conflicts of interest, or the appearance of conflicts of interest, with their official duties must disqualify themselves in writing from any activities related to those affiliations, interests, or entities by action taken under 18 U.S.C. 208 (reference (p)).

(b) Limitations of duties - reduction in the level of responsibility (i.e., from contracting officer to purchasing agent).

(c) Divestiture - Relinquishment of financial involvement with a business organization.

(d) Transfer or reassignment.

(e) Resignation.

(f) Exemption under 18 U.S.C. 208(b) - Financial interest is inconsequential and too remote to affect the integrity of an employee's services to the Government.

(g) Other appropriate action provided by statute (law) or administrative procedure.

D-10. Summary

a. In this unit of instruction, DOD Directive 5500.7 has been discussed. Since the trust of the general public is in the hands of those who spend tax dollars, personnel must all live and work to the letter of the law. Personnel must avoid any action that is an obvious conflict of interest, or that appears to be a conflict of interest.

b. If there might be a potential conflict of interest, immediately notify your supervisor, who will work with you to resolve the problem.

D-11. Appropriated funds contracting support

a. All NAF procurements in excess of $5,000 ($2,500 for services) will be submitted to the appropri-ated fund contracting office that supports the MEPS for procurement. These procurements require expertise not normally found in a MEPS. In addition, all amusement and vending machine concession contracts, regardless of dollar amount, must be forwarded to your supporting appropriated fund contract-ing office for solicitation and award. The MEPS do not have contracting authority for concessionaire contracts.

b. A need to become aware of the lead times required for the supporting contracting office to effect a procurement. For example, before quotations can be solicited for services over $2500, a wage determina-tion must be obtained from the Department of Labor. Obtaining this document takes an average of 90 days and must be done by the supporting appropriated fund contracting office.

c. Encouragement to seek assistance from the supporting contracting office on any NAF procurement that is considered complicated. A request that the support contracting officer procures these more complicated items is advised.

D-12. Ordering officers

a. Contracting officers may appoint ordering officers to assist them in making certain purchases when they consider such appointment necessary. Using DA Form 4066-R, ordering officers are authorized to make over-the-counter purchases not exceeding $1000. Ordering officers will not delegate this authorization to others.

b. Appointment of an ordering officer must be in writing. As the appointed authority the contracting officer is responsible for:

(1) Providing orientation and instructions on the following:

(a) Proper use of DA Form 4066-R.

(b) Standards of conduct.

(2) At least twice each year reviewing the activity of the ordering officer. The review will be documented in writing and cover the following at a minimum:

(a) Is the ordering officer operating within the scope of his or her authority?

(b) Are the standards of conduct being maintained?

(c) Are purchases being fragmented (split) to avoid monetary limitations?

(d) Has the ordering officer delegated his or her authority to others?

c. Should it become necessary to terminate the appointment of an ordering officer either due to reassignment or nonperformance, the termination must be in the form of a written memorandum.

D-13. Competition

a. Purchases that do not exceed $2500 total, do not require competition as long as the contracting officer can determine that the price is fair and reasonable. Purchases for commercial entertainment also do not require competition, regardless of the dollar amount. At times, it may be easier to obtain competition prices to ensure the prices are fair and reasonable.

b. Purchases of more than $2500 must be procured competitively unless a valid sole source justification is obtained. Competition exists when all of the following conditions have been met:

(1) Prices were solicited from at least three sources.

(2) All prices submitted independent of each other.

(3) At least two prices were received.

D-14. Written solicitation

a. Generally, quotations will be solicited orally for NAF purchases. A written solicitation may be issued when DA Form 5567 (fig. 7-8):

(1) Has a large number of line items included in a single procurement.

(2) Detailed specifications are required.

(3) Obtaining oral quotes are not considered practical.

(4) Suppliers require written solicitations.

(5) Suppliers are located outside the local trade area.

b. Whenever a written solicitation is to be issued, a DA Form 4067-R (Order For Supplies or Services/Request for Quotation (Nonappropriated Funds)) will be used. For form instructions, see figure 7-7.

D-15. Sole source

a. A sole source procurement is defined as a purchase of supplies or services available from a single, responsible source. When the supplies or services required by the MEPS are available from only one responsible source, and no other type of supplies or services will satisfy the requirement, competition is not required.

b. Any procurement over $2500, excluding commercial entertainment that does not have competitive quotations must be justified before being awarded as a sole source procurement. A written justification detailing why a sole source procurement is necessary and signed by the contracting officer, must be placed in the file prior to awarding any contract. (For guidance on what the written justification must contain, see AR 215-4 (Nonappropriated Fund Contracting), paragraph 3-10.)

D-16. Fair and reasonable prices

a. It is the policy of the Government to procure supplies and services from responsible sources at fair and reasonable prices, calculated to result in the lowest ultimate overall cost to the Government.

b. A fair and reasonable price may have different meanings to different people depending on whether they are buying or selling. It is also a function of supply and demand, the economic status of a specific industry at the time, and technology. For example, a fair and reasonable price for a gallon of gasoline in 1975 was $1.60 per gallon. In 1985 the price was approximately $1.00 per gallon. Why? Supply and demand. The price of a car made in Japan 50 years ago is quite different than today. Why? The Japanese auto industry is booming today, not so 50 years ago. A personal computer 10 years ago was in excess of $4,000. Today a more powerful version is less than $1,000 because of technological advances.

c. There are at least three views of what constitutes a fair and reasonable price

(1) A competitive market price is a reasonable price. Competition pressures of a market determine what quantities of an item will be bought or sold, and at what price at any given moment of time.

(2) To sellers, a reasonable price may be their full cost to produce, plus their idea of reasonable profit. They may consider the extent of any real or potential competition and what other businesses are charging or likely to charge under similar circumstances.

(3) To buyers, a reasonable price may be the lowest price they must pay to get the product they need. How much they are willing to pay may be influenced by the intensity of their need, the utility of the product, and any alternatives that are open to them.

d. Simply stated, a fair and reasonable price is one which satisfies the needs of both the buyer and seller to the extent that neither is forced to make concessions injurious to their position, resulting in a loss to the seller or payment by the buyer in excess of the real value of the item.

e. A written determination that a price is fair and reasonable need not be made unless:

(1) Award's made to a vendor other than the one with the lowest price.

(2) The procurement is a sole source purchase.

(3) Price differences among vendors is such that a lack of true competition is reflected.

D-17. Procurement numbering

All purchase orders will be numbered sequentially by fiscal year. The first two digits will be the last two digits of the fiscal year followed by a dash. The next number will be the serial number of the purchase order. Purchase orders will be numbered sequentially starting over each fiscal year. For example:

00-13

The 13th order of fiscal year 2000

D-18. Service contracts

a. There are generally two types of service contracts personal and nonpersonal services. It is important to be able to distinguish between the two since we cannot purchase personal services with NAF funds.

b. Personal services creates an employee/employer relationship. The contractor's employees are supervised by the MEPS.

c. The following list of descriptive elements will be used as a guide to identify personal services:

(1) The service is performed on site.

(2) The MEPS provides the tools, equipment, secretarial or other services necessary for the contractor to perform the work.

(3) The contractor is given access to the MEPS files.

(4) The contractor is under the direct supervision of MEPS personnel.

d. If in reviewing the proposed purchase you answer "yes" to all of these elements, the request is for personal services and cannot be purchased. If the answer is “yes” to some of the questions, it may be personal in nature. If the answer to all elements is "no" the acquisition is for nonpersonal services and the contracting officer or ordering officer should proceed with the purchase.

D-19. Entertainment contracts

a. Contracts for entertainment will be solicited and awarded based on the following criteria: the popularity of the entertainers and/or groups, patron preference, availability, participatory draw, and past performance.

b. When booking entertainment the use of agencies is encouraged when feasible.

c. Contracting officers will make price comparisons with similar acts or performers to establish a base from which negotiations may begin with individual entertainers or agencies, and to subsequently determine price reasonableness.

d. Since an entertainer is usually available through only one agent, and because the selection is based on customer preference, generally, competition is not required for the purchase of commercial entertainment. This does not permit, however, the exclusive use of one entertainer or one agent. Where there is more than one agent

who can provide entertainment of equivalent quality at comparable prices in a given geographic area, the use of the available agents should be rotated. Similarly, when equivalent entertainment is available from more than one entertainer, the services of such entertainers should be rotated.

e. A cancellation clause will be included in all entertainment contracts substantially the same as below:

"The contractor will notify the contracting officer immediately of any cancellation, or potential cancellation, and make a reasonable effort to obtain substitute entertainment which is equal or better. All such cancellations must be in writing and must provide just cause for nonperformance and must prove satisfactory to the contracting officer or the conditions of the “Liquidated Damages” clause. The contracting officer will notify the contractor at least 72 hours in advance of start of performance that the fund intends to cancel the performance.

f. The contracting officer will calculate liquidated damages based on amount of revenue lost in terms of sales, personnel salaries, performance period, and any other direct or indirect cost incurred as a result of nonperformance or late performance of the contractor. A liquidated damages clause will be included in all entertainment contracts substantially the same as below: “Liquidated Damages.” If the performer fails to perform in accordance with this contract, liquidated damages will be assessed at a rate of _____. The contractor will not be charged liquidated damages when the failure to perform arises out of causes beyond the performer's control and without fault or negligence of the performer (e.g., fires, floods, epidemics)."

g. NAF contracting officers will not sign labor union contracts for commercial entertainment.

D-20. Writing a purchase order

a. After you have obtained all your quotations and determined which vendor you are going to purchase from, it is time to issue the vendor a purchase order. There are two types of purchase orders that can be issued DA Form 4066-R and DA Form 4067-R. An ordering officer appointed by a NAF contracting officer can only use DA Form 4066R.

b. In order to use the DA Form 4066-R the following conditions must apply:

(1) The supplies or services are immediately available.

(2) The amount of the purchase will not exceed $l000.

(3) One delivery and one purchase will be made.

(4) The supplies or services purchased do not require technical inspection.

(5) Its use is determined to be more economical and efficient than other methods.

The above conditions will ordinarily make use of this method of purchase proper for any MEPS NAF purchase of less than $1000.

c. For purchases of more than $1000 or where the DA Form 4066-R is not appropriate (see “b” above) the DA Form 4067-R must be used. This is a multipurpose form which can be used as a request for quotation or purchase order. If the description of what is being purchased cannot fit in blocks 16 through 21 of the form, a DA Form 4068 (Continuation sheet (NAF), should be used.

d. Purchase orders issued using the DA Form 4067-R, can be issued unilaterally or bilaterally. Unilateral purchases are signed only by the contracting officer while bilateral are signed by the contracting officer and the

contractor. A vendor is not required to honor a unilateral purchase order and there is no recourse if they do not accept the order and perform. Because of this, all entertainment contracts must be bilateral. Should the vendor not perform, we then have a contractual right to take action against the vendor.

e. When using the DA Form 4067-R there are contract clauses that need to be included in the purchase order. The full text of these contract clauses (nonappropriated fund supply and service contracts) and DA Form 4074-R (Contract Clauses (Nonappropriated Fund Supply and Service Contracts)) is contained in AR 215-4. If requests are received from vendors for copies of the clauses, you should make the copies of the clauses from the AR 215-4.

D-21. File documentation

The purchase order file for any NAF purchase should be a complete record of what has transpired on the purchase. As applicable, listing of what should be in the file is below.

a. DA Form 4065-R (Army NAF Purchase Request) and a copy of the approved council minutes.

b. Copies of all quotations received or if oral the following information on each quotation:

(1) Name, address, and telephone number of vendor.

(2) Person contacted.

(3) Date of quote.

(4) Price, delivery, and applicable discounts.

c. All written correspondence with the vendor.

d. Copy of the purchase order.

e. Copy of any modification to the order with all backup information supporting modification.

f. Receiving report.

D-22. Inspection and acceptance

a. Supplies and services must be inspected to ensure conformity to purchase order specifications and accepted to acknowledge this conformance. Inspection of supplies and services entails examining and/or testing to determine whether they conform to contract requirements.

b. It is the responsibility of the contracting officer to arrange for inspection of all supplies and services purchased to ensure the AVMF received what it ordered in quantity and quality. The person inspecting and accepting the supplies or services must be someone other than the contracting officer. Shortages or other deficiencies must be reported to the supplier at once. Arrangement can then be made to:

(l) Return the supplies and receive a credit.

(2) Return the supplies and receive the right supplies.

(3) Have services redone until acceptable.

c. In inspecting supplies you need to understand the meaning of FOB and its impact on where responsibility passes from your contractor to the shipper and to the Government. FOB stands for “free on board" and is used with a physical point (origin or destination) to determine the responsibility and basis for payment of transportation charges, and the point at which title to the supplies passes to the Government.

d. If your purchase was FOB origin, damage due to shipping is the responsibility of the shipper and you may have to deal with the shipper for an adjustment. If the purchase was FOB destination, the vendor is responsible for dealing with the shipper for damage due to shipping.

D-23. Modification to orders

Occasionally it may be necessary to modify or change a purchase order you have written because conditions have changed since the order was written. All modifications will be in writing and will utilize DA Form 4073-R (Amendment of Solicitation/Modification of Contract (Nonappropriated Funds).

D-24. Payments

a. The Prompt Payment Act requires payment to be made within 30 days of receipt of the supplies or services purchased or from receipt of a proper invoice, whichever is later. In order for payment to be made to a vendor the following items are required:

(1) The vendor's invoice.

(2) Evidence that supplies or services have been received, inspected, and accepted.

b. Partial payments will not be made unless the contractor requests them and the amount due is at least $1,000 or at least 50 percent of the total contract price.

c. If the vendor offers a discount for prompt payment the discount time will be computed from the date of delivery or from receipt of a proper invoice, whichever is later.

d. The Prompt Payment Act also requires interest be paid if the payment is late. Interest begins to accrue on the first day after the due date. Therefore, to avoid paying interest, invoices should be paid on time.

D-25. File close out

a. Purchase order files maintained by the contracting officer or ordering officer should be closed out when the contracting officer or ordering officer receives a copy of the receiving report and evidence of payment. The purchase order file can be destroyed 1 year after final payment.

b. The concessionaire contract (for vending/amusement machines) maintained by the COR can be closed when the vendor has performed all services required, all options, if any, have expired, and final payment has been made. Concessionaire contracts must be kept for 6 years and 3 months after final payment before being destroyed. However, contract files should not be closed out if their is a contract dispute or if a termination is involved and the termination actions are not complete.

D-26. Contracting Officer Representative (COR)

a. When your amusement/vending machine contract is awarded, the contracting officer may appoint a COR act as their authorized representative in administrating the contract. This designation must be in writing and will define the duties and responsibilities of the assignment. The AVMF manager will be the COR and he or she

cannot redelegate these duties to anyone else. The appointment of a COR will normally remain in effect until the contract expires or reassignment, unless it is terminated sooner by the contracting officer.

b. The normal duties of a COR are to act as the eyes and ears of the contracting officer. The COR may not modify or change a contract. This can only be done by the appropriated fund contracting officer who is responsible for administration of the contract.

c. All contractual problems or differences must be promptly reported to the contracting officer. If not reported, the contracting officer can't resolve problems or differences.

d. As an AVMF WCO, appointed by the Commander, HQ USMEPCOM, you have no authority to award, administer, or change an amusement/vending machine contract.

D-27. Additional guidance

a. Every MEPS should have on file the latest revision to AR 215-4 and USMEPCOM Reg 215-1 (Amusement Vending Machine Fund). These regulations provide additional guidance on NAF procurement procedures and may answer any questions.

b. In addition to the above, assistance may be obtained from the following:

(1) Your supporting appropriated fund procurement office.

(2) HQ USMEPCOM Command Budget Branch.

(3) HQ USMEPCOM Command Contracting Support Division.

Appendix E
Sample Statement of Work - Vending Machines

E-1. Description/specifications

a. The concessionaire will furnish the AVMF with _____ vending machines. The machines will be located in room _____ on the _____ floor of _____
(Street address, city, State, Zip Code)
The space assigned for concessionaire use is not to be construed as the creation of a tenancy. The concessionaire will furnish equipment, supplies, management, supervision and labor to provide vending machine service for Armed Forces applicants of the Military Entrance Processing Station (MEPS), _____.

b. The concessionaire will coordinate with the AVMF manager on the types of vending machines to be provided. All machines installed will be current state of the art.

c. Each machine will possess a decal displaying the concessionaire's name, address, telephone number, and a machine identification number. The use of handmade or improvised decals is prohibited.

d. All machines will be equipped with not less than two separate locks. The first lock will allow access into the machines and will be owned by the concessionaire. The second lock will allow access into the cash receptacle and will be owned by the AVMF. Both parties will retain exclusive control to the keys for their locks. The second lock may be a fund-owned and controlled lock. The concessionaire has the options of also providing a lock to the cash receptacle so that both a nonappropriated fund instrumentality (NAFI) key and a concessionaire key are required to open it.

e. All machines shall be equipped with installed product counters.

f. Neither concessionaires nor their designated personnel will remove or relocate machines without approval of the contracting officer’s representative (COR) during the contract period.

E-2. Inspection/acceptance

a. Inspection and acceptance of the concessionaire operation will be accomplished by the contracting officer or his or her designated representative.

b. The concessionaire agrees the contracting officer, or his or her authorized representative, will have the right to and audit the books and records of the concessionaire pertaining to the contract during the period of the contract for 3 years.

E-3. Delivery/performance

a. This contract will extend from date of award for a period of 1 year unless sooner terminated under the provisions of this contract, and may be extended in accordance with (IAW) the terms of the Option Clause.

b. Vending machines provided herein will be installed not later than (NLT) 15 days after award of this contract.

c. Delivery and installation of machines will be made to _____ (name and address of MEPS). For coordination of delivery and installation, contact the contracting officer at the address on DA Form 4069-R (Soliciation, Offer and Award). Block 5, initial installation shall not be less than the number and types of machines as indicated.

d. The equipment provided by the concessionaire during the period of the contract will comply with the requirements set forth herein. All equipment will be subject to the COR's inspection as to condition.

e. The concessionaire will furnish the COR with a complete listing of all equipment installed with the following data:

(1) Type of machines.

(2) Serial and model number of machines.

(3) Name of manufacturer of machines installed.

(4) Age of machines installed.

(5) Cost of machines installed.

f. Coordination of delivery and removal.

(1) The concessionaire will coordinate the delivery of machines with the removal of machines which are under the existing contract, at the completion of the contract period, including any extensions thereof, or, if the contract is terminated IAW the "Default" clause of this contract, at the time designated in the termination notice. Coordination may be handled through the COR. Removal of machines shall take effect within approximately 1 week after agreement of both parties concerned. Removal of machines during the term of the contract or during coordination with a successor contractor is to be at the sole expense of the concessionaire.

(2) The concessionaire agrees that if they are not awarded an extension to the existing contract or a new contract, and are unable to remove their equipment by the date a new concessionaire's contract is to become effective, they are responsible for having their machines set aside to allow the installation of machines under the new contract.

g. Required insurance

(1) Workmen's compensation and employer's liability insurance. Compliance with applicable workmen's compensation and occupational disease statutes is required. In jurisdictions where all occupational diseases are not compensable under applicable law, insurance for occupational disease is required under the employer's liability section of the insurance policy; however, such additional insurance will not be required where contract operations are commingled with the contractor's commercial operations so that it would be impracticable to require such coverage. Employer's liability coverage in the minimum amount of $100,000 is required.

(2) General liability insurance. Bodily injury liability insurance, in the minimum amounts of policy; however, property damage liability insurance ordinarily will not be required.

(3) Automobile liability insurance. Automobile liability insurance is required on the comprehensive form of policy and will provide for bodily injury and property damage liability covering the operation of all automobiles.

h. The concessionaire will furnish, and train at his or her expense, a sufficient number of qualified employees for the efficient performance of this contract.

i. Neither the concessionaire nor his or her employees will wear complete or parts of military uniforms while working in the MEPS.

E-4. Contract administration

a. Authority. The contracting officer is the only person who has the authority to alter or amend this contract or make determinations and findings with respect to this contract. Excluding changes made pursuant to the changes clause of this contract, no change affecting the terms or conditions of this contract shall be made without a written modification to this contract, issued by the contracting officer.

b. Responsibility for contract administration. The contracting officer, his or her duly appointed contracting officer representative (COR), or his or her duly authorized successor, is responsible for the administration of this contract. The COR is authorized to the extent in this contract, to take action on behalf of the AVMF, which results in changes in the terms of this contract, including deviations from specifications, details, and delivery schedule.

c. Contracting officer's representative (COR). The contracting officer may appoint a COR for the purpose of ensuring concessionaire compliance with terms and conditions of the contract, and notifying the contracting officer of any deficiencies with recommendations as to corrective action. The COR is not authorized to take any actions which may result in changes in the provisions, specifications, or the pricing of this contract.

d. Payments. The concessionaire will make all payments to the AVMF. Such payments will be made by check and mailed directly to the MEPS, _____ as designated by the contracting officer.
Special Contract Clause.

e. Services by concessionaire

(1) The concessionaire will perform all services required for installation, repair, maintenance, adjustment, cleaning, replacement of parts and removal of the machines at its sole cost and expense and at no cost to the AVMF. The machines shall be maintained in good working order. At least once each month, the concessionaire shall examine each machine to determine what repairs, maintenance adjustment, cleaning, and replacement of worn or unserviceable parts are required. The concessionaire will maintain a stock of parts and supplies adequate to provide for normal maintenance and repair.

(2) Servicing of machines will be between the hours of 0900 and 1700, local time, Monday through Friday.

(3) All glass outer surfaces will be cleaned during servicing or money collection.

(4) Glass will be replaced if cracked or broken, bulbs will be replaced as necessary, and the wood (if any) on machines will be replaced or refinished if cracked or splintered.

f. Title. The title to the machines will remain with the concessionaire.

g. Assignment of rights. The concessionaire may not assign its rights or delegate its obligations under the contract without prior written permission from the supporting contracting office.

h. Change in equipment

(1) Vending machines may be changed from time to time upon mutual agreement between the COR and the concessionaire.

(2) The COR will decide which vending machines are excess to the AVMF requirement and have them removed from the MEPS by the concessionaire.

(3) Upon termination for default or convenience, the concessionaire will promptly, or not later than midnight of the third day following final performance based on such termination, remove his or her vending equipment. If the concessionaire fails to remove said property, while under termination status, the contracting officer may cause such property to be removed at the expense of the concessionaire.

i. Contractor

(1) The concessionaire will not represent itself, nor allow itself to be represented, to the public as an agent or representative of the U.S. Government, or any military department, nor as a part of the AVMF of the installation.

(2) The concessionaire will obtain all necessary permits and licenses, pay required fees and taxes, and comply with applicable health, safety and building codes.

(3) Neither the AVMF nor the U.S. Government will assume any indebtedness of the concessionaire.

j. Utilities. The AVMF will furnish all required utility service for the operation of vending machines at no cost to the concessionaire.

k. Vandalism/loss. Any act of vandalism to machines shall be reported by the COR immediately to the local police, the contracting officer, and the concessionaire. Machine break-ins shall also be reported in the same manner. Concessionaire shall absorb all losses.

l. Antimonopoly. No provisions in this contract shall be construed to constitute the granting of a monopoly to the concessionaire for the furnishing, installing, or servicing of vending machines. The AVMF reserves the right to make similar contracts with other individuals or firms.

m. New or used machines. Late model used machines in good operating condition and appearance may be used in lieu of new machines for this contract. However, unacceptable used machines shall be replaced within 48 hours at no cost to the AVMF. Concessionaires offering used machines are required to complete the Used Machine Schedule at attachment _____ and submit it with their offer.

n. Restrictions. The AVMF reserves the absolute right to prohibit the concessionaire from beginning to operate or continuing to operate any machine that the contracting officer or their authorized representative deems to be objectionable or unsafe. Its being distinctly understood that any gambling devices or games of chance that are contrary to Federal laws, Army regulations and/or the laws of the State of _____ are strictly prohibited under this contract.

o. Equipment upkeep. The concessionaire, at his or her own expense, will keep all equipment required to be furnished by the contract in proper mechanical working order and will accomplish all repair work within 1 working day after receipt of notification or discovery of any breakdown. Breakdowns reported by the COR after normal duty hours will be repaired within 8 hours after the start of the next business day. Machines that become unserviceable or otherwise fail to comply with the specifications will be replaced within 48 hours.

p. Electrical safety code. All electrically operated equipment will be installed IAW the Standards of the National Electrical Code, and in compliance with all safety and security measures requested by the General Services Administration.

q. Liability for taxes. Concessionaires are not entitled to claim NAFI immunity from taxation. Concessionaires will be liable for all applicable sales and use taxes as required by State law pursuant to the provisions of 4 U.S.C. 105.

r. Refunds. The concessionaire will be responsible for and provide money for refunds. An amount based upon the number of machines under the contract, and agreed to by the concessionaire and the COR, will be set aside for refunds. The COR shall establish a convenient location(s) for customers to collect refunds. Customers will be required to sign a ledger or receipt book for refunds received.

s. Currency and coin conversion.

(1) The concessionaire will install a coin changing machine, provide change to the COR, to provide a method of currency and coin conversion necessary to operate the vending machines. The coin changer will be installed in the same location as the vending machines.

(2) The concessionaire will be responsible for ensuring the coin changer is operable. Risk of loss or damage to the machine and its contents remain with the concessionaire.

t. Cash collections.

(1) A joint count of money and merchandise in vending machines by the concessionaire and a representative of the AVMF is required to verify the count of money removed from the machines. If the coin counting meter is inoperable, a joint verified cash count is sufficient.

(2) The concessionaire will provide machines with installed product counters (metering devices) on cash collection boxes. Actual cash collected will be compared to expected receipts and any significant variances will be investigated.

(3) Cash collections will be made at least once each month from the machines and more frequently if desired.

(4) The COR must maintain an inventory list of contractor-owned machines to include serial numbers and the location of each machine. The inventory records will be updated when the machines are changed or rotated. A current list will be provided to the cash collection team. In no case will a machine be removed before a final cash collection is made.

(5) The machine will be unlocked and the quantity of products sold meter read. The quantity of products sold multiplied by the cost per product should equal the amount of money in the cash box and the amount recorded on the cash collection voucher.

(6) If the actual cash varies from the meter readings, the concessionaire will check for mechanical malfunctions or tampering. The concessionaire will submit a written report adjusted for refunds.

(7) The vending machines will be inventoried on the premises in the presence of the COR, or his or her designated representative. The joint count of money in the machines will be conducted by an AVMF fund representative and the vendor.

(8) The verified count will be recorded on DA Form 4083-R, provided by the COR. The "fund representative" block will be signed by the person conducting the joint count, and the "concessionaire representative" block will be signed by the vendor. The COR may sign in the "command representative" block as a witness to the collection process. A copy will then be provided to each of the participating parties to document the cash collected.

(9) The concessionaire shall then remove all cash from the premises. Payment to the MEPS AVMF will be paid by check not later than the 10th calendar day of the following month. A check stub or voucher will accompany the check referencing the month for which payment is made. The payment shall be the percentage of the monthly gross receipts from vending machine operation as specified in the schedule.

u. Key control. Keys must be properly controlled to restrict access to the cash boxes and internal control devices. The MEPS keys will remain in the custody of the COR during the coin count. The keys will be provided to the individual performing the joint count when required for cash collections or service calls by the concessionaire.

v. Termination.

(1) The contracting officer, by written notice, may terminate the contract, in whole or in part, when such action is in the best interests of the AVMF. If the contract is so terminated, the rights, duties and obligations of the parties will be IAW the applicable sections of the Federal Acquisition Regulation in effect on the date of the contract.

(2) The contracting officer, by written notice, may terminate this contract, in whole or in part, for failure of the concessionaire to perform any of the provisions hereof. In such event, the concessionaire shall be liable for damages, including the excess cost of reprocuring similar service.

(3) Upon termination for default or convenience, the concessionaire will promptly or NLT 1700 hours of the third day following final performance based on such termination, remove his or her vending equipment. If the concessionaire fails to remove said property, while under termination status, the contracting officer may cause such property to be removed at the expense of the concessionaire.

w. Covenant against gratuities. The concessionaire warrants no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the concessionaire to any officer, agent, or employee of the AVMF with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending or making of any determinations with respect to the performance of such contract. For breach or violation of this warranty, the contracting officer will have the right to terminate this contract without liability and, at its discretion, to deduct from the amount due to the concessionaire under this contract, the full amount of any such gratuities or the value thereof.

x. Option to extend the term of the contract. At the option of the AVMF, the Contracting Officer may give written notice of renewal to the concessionaire. Such preliminary notice shall not be deemed to commit the Government to a renewal. If the Government exercises the option for renewal, the contract as renewed, will be deemed to include this option provision. However, the total of this contract, including the exercise of any option under this clause, shall not exceed 5 years. In the event the concessionaire does not want to renew the contract, he or she will so indicate and include reason(s) therefore in writing. The written notice shall be received by the contracting officer a minimum of 90 days before the expiration date of the contract or any current option.

y. Prices for patrons. The concessionaire shall charge for products only those prices quoted in the contract or those prices approved by the contracting officer. Approved prices shall be conspicuously displayed at the place of operation of the vending machines.

E-6. Evaluation factors

a. Basis of award.

(1) Subject to the provisions contained herein, award will be made to a single offeror. Any award to be made will be based on the best overall proposal with appropriate consideration given to the evaluation factors stated below. To be considered for award, proposals will conform to all terms and conditions contained in the Request for Proposal.

(2) Government personnel will evaluate all proposals. The proposals will be rated strictly IAW their contents. No assumptions concerning performance will be made. All areas concerning performance will be specified in the offeror's written proposal.

(3) Proposals that are unrealistic in terms of percentage to the AVMF will be deemed as failing to comprehend the proposed contractual requirements and may be grounds for rejection of the proposal.

b. Significant evaluation factors. Percentage to the Fund. The contract will be awarded to that responsive bidder whose offer will result in the most advantageous percentage fee to the AVMF. Evaluations of offers will be on the basis of the fee offered for the base period (0001) exclusive of the option periods (0002 through 0005). Varying fees may be offered for option years.

Appendix F
Statement of Work - Amusement Machines

F-1. Descriptions/specifications

a. The concessionaire will furnish the AVMF with _____ electronic machines. The machines will be located in room _____on the _____ floor of _____
(Street address, city, State, Zip Code)
The space assigned for concessionaire use is not to be construed as the creation of a tenancy. The concessionaire shall furnish equipment, supplies, management, supervision and labor to provide amusement machine service for Armed Forces applicants of the Military Entrance Processing Station (MEPS), _____.

b. Concessionaire will coordinate with the AVMF manager on the types of electronic machines to be provided. All machines installed will be current state of the art (electronic) and among the current top 10 makes and models according to national surveys conducted by business-related publications, (i.e., Playmeter, electronic games and video games.)

c. Each machine will possess a decal displaying the concessionaire's name, address, telephone number, and machine identification number. The use of handmade or improvised decals is prohibited.

d. All machines will be equipped with not less than two separate locks. The first lock will allow access into the machines and will be owned by the concessionaire. The second lock will allow access into the cash receptacle and will be owned by the AVMF. Both parties will retain exclusive control to the keys for their locks. The second lock may be a fund-owned and controlled lock. The concessionaire has the options of also providing a lock to the cash receptacle so that both a NAFI key and a concessionaire key are required to open it.

e. All machines will be equipped with installed coin counters and devices indicating free plays.

f. Neither concessionaire, nor his or her designated personnel, will remove or relocate machines without approval of the contracting officer’s representative (COR) during the contract period.

g. Inspection and acceptance of the concessionaire operation will be accomplished by the contracting officer or his or her designated representative.

h. The concessionaire agrees the contracting officer, or his or her authorized representative, have the right to examine and audit the books and records of the concessionaire, directly pertaining to the contract during the period of the contract for 3 years.

F-2. Delivery/performance

a. This contract shall extend from date of award for a period of 1 year unless sooner terminated under the provisions of this contract, and may be extended IAW the terms of the “Option” clause.

b. Amusement machines provided herein shall be installed NLT 15 days after award of this contract.

c. Delivery and installation of machines will be made to _____ (MEPS name and address). To coordinate delivery and installation, contact the contracting officer at the address in block 5 of the solicitation, offer, and award (NAF) form, in DA Form 4069-R (Solicitation, Offer and Award

(Nonappropriated Funds). Initial installation will not be less than the number and types of machines as indicated.

d. The equipment provided by the concessionaire during the period of the contract will comply with the requirements set forth herein. All equipment will be subject to the COR's inspection as to its condition.

e. The concessionaire will furnish the COR with a complete listing of all equipment installed with the following data:

(1) Type of machine.

(2) Serial and model number of machine.

(3) Name of manufacturer.

(4) Age.

(5) Cost.

f. Coordination of delivery and removal.

(1) The concessionaire will coordinate the delivery of machines with the removal of machines which are under the existing contract, at the completion of the contract period, including any extensions thereof, or, if the contract is terminated IAW the "Default" clause of this contract, at the time designated in the termination notice. Coordination may be handled through the COR. Removal of machines will take effect approximately 1 week after agreement of both parties. Removal of machines during the term of the contract or during coordination with a successor contractor, will be at the expense of the concessionaire.

(2) The concessionaire agrees that should he or she not be awarded an extension of this contract or a new contract, and in the event he or she is unable to remove his equipment by the date a new concessionaire's contract is to become effective, to have his or her machines set aside to permit the installation of machines under the new contract.

g. Required insurance.

(1) Workmen's Compensation and Employer's Liability Insurance. Compliance with applicable workmen's compensation and occupational disease statutes is required. In jurisdictions where all occupational diseases are not compensable under applicable law, insurance for occupational disease is required under the employer's liability section of the insurance policy; however, such additional insurance will not be required where contract operations are commingled with the contractor's commercial operations so that it would be impracticable to require such coverage. Employer's liability coverage in the minimum amount of $100,000 is required.

(2) General liability insurance. Bodily injury liability insurance, in the minimum amounts of policy; however, property damage liability insurance ordinarily will not be required.

(3) Automobile liability insurance. Automobile liability insurance is required on the comprehensive form of policy and will provide for bodily injury and property damage liability covering the operation of all automobiles.

h. The concessionaire will furnish and train at his or her expense, a sufficient number of qualified employees for the efficient performance of this contract.

i. Neither in the concessionaire nor his or her employees will wear complete or parts of military uniforms while working at the MEPS.

F-3. Contract administration

a. The contracting officer is the only person who has the authority to alter or amend this contract or make determinations and findings with respect to this contract. Excluding changes made pursuant to the Changes Clause of this contract, no change affecting the terms or conditions of this contract shall be made without a written modification to this contract and issued by the contracting officer.

b. The contracting officer, his or her duly appointed (COR), or his or her duly authorized successor, is responsible for the administration of this contract, and alone is authorized to the extent in this contract, to take action on behalf of the AVMF, which results in changes in the terms of this contract, including deviations from specifications, details, and delivery schedule.

c. The contracting officer may appoint a COR for the purpose of ensuring concessionaire compliance with terms and conditions of the contract and notifying the contracting officer of any deficiencies with recommendations as to corrective action. The COR is not authorized to take any actions which may result in changes in the provisions, specifications or the pricing of this contract.

d. Payments. The concessionaire shall make all payment to the AVMF. Such payments shall be made by check and mailed directly to the MEPS, _____ as designated by the contracting officer.

F-4. Special contract clause

a. Services by concessionaire.

(1) The concessionaire will perform all services required for installation, repair, maintenance, adjustment, cleaning, replacement of parts and removal of the machines at their sole cost and expense and at no cost to the AVMF. The machines shall be maintained in good working order. At least once each month, the concessionaire shall examine each machine to determine what repairs, maintenance adjustment, cleaning and replacement of worn or unserviceable parts is required. The concessionaire shall maintain a stock of parts and supplies adequate to provide for normal maintenance and repair.

(2) Servicing of machines shall be between the hours of 0900 and 1700, local time, Monday through Friday.

(3) All glass outer surfaces shall be cleaned at time of servicing or money collection.

(4) Glass shall be replaced if cracked or broken, bulbs shall be replaced as necessary, and the wood (if any) on machines shall be replaced or refinished if cracked or splintered.

b. Title. The title to the machines shall remain with the concessionaire.

c. Assignment of rights. The concessionaire may not assign its rights or delegate its obligations under the contract without prior written permission from the contracting officer.

d. Change in equipment.

(1) Amusement machines may be changed from time to time upon mutual agreement between the COR and the concessionaire.

(2) Those amusement machines determined by the COR to be surplus to the AVMF's requirement shall be removed from the MEPS by the concessionaire.

(3) Upon termination for default or convenience, the concessionaire shall promptly, or NLT 1700 hours of the third day following final performance based on such termination, remove their amusement equipment. If the concessionaire fails to remove said property, while under termination status, the contracting officer may cause such property to be removed at the expense of the concessionaire.

e. Contractor.

(1) The concessionaire will not represent him or herself nor allow him or herself to be represented to the public as an agent or representative of the U.S. Government, or any military department, nor as a member of the AVMF of the installation.

(2) The concessionaire will obtain all necessary permits and licenses, pay required fees and taxes and comply with applicable health, safety, and building codes.

(3) Neither the AVMF nor the U.S. Government will assume any indebtedness of the concessionaire.

f. Utilities. The AVMF will furnish all required utility service for the operation of amusement machines at no cost to the concessionaire.

g. Vandalism/loss. Any act of vandalism to machines will be reported by the COR immediately to the local police, the contracting officer, and the concessionaire. Machine break-ins will also be reported in the same manner. Concessionaire will absorb all losses from slugs.

h. AntiMonopoly. No provisions in this contract shall be construed to constitute the granting of a monopoly to the concessionaire for the furnishing, installing, or servicing of amusement machines. The AVMF reserves the right to make similar contracts with other individuals or firms.

i. New or used machines. Late model used machines in good operating condition and appearance may be used in lieu of new machines for this contract. However, unacceptable used machines shall be replaced within 48 hours at no cost to the AVMF. Concessionaire offering used machines are required to complete the Used Machine Schedule at attachment _____ and submit it with their offer.

j. Restrictions. The AVMF reserves the absolute right to prohibit the concessionaire from beginning to operate or continuing to operate any machine which the contracting officer or his or her authorized representative deem to be objectionable or unsafe. It being distinctly understood that any gambling devices or games of chance which are contrary to Federal laws, Army regulations and/or the laws of the State of _____ are strictly prohibited under this contract.

k. Equipment upkeep. The concessionaire, at its own expense, will keep all equipment required to be furnished by the contract in proper mechanical working order, and will accomplish all repair work within one working day after receipt of notification or discovery of any breakdown. Breakdowns reported by the COR or a designated representative after normal duty hours shall be repaired within 8 hours after the start of the next business day. Machines that become unserviceable or otherwise fail to comply with the specifications shall be replaced within 48 hours.

l. Electrical safety code. All electrically operated equipment will be installed IAW the Standards of the National Electrical Code, and in compliance with all safety and security measures requested by the General Services Administration.

m. Liability for taxes. Concessionaires are not entitled to claim NAFI immunity from taxation. Concessionaires will be liable for applicable sales and use taxes as required by State law pursuant to the provisions of 4 U.S.C. 105.

n. Refunds. The concessionaire will be responsible for and provide money for refunds. An amount based upon the number of machines under the contract, and agreed to by the concessionaire and the COR, will be set aside for the refunds. The COR will establish a convenient location(s) for customers to collect refunds. Customers will be required to sign a ledger or receipt book for refunds received.

o. Currency and coin conversion.

(1) The concessionaire shall install a coin changing machine or provide change to the COR, and coin conversion necessary to operate the amusement machines. The coin changer will be installed in the same location as the amusement machines.

(2) The concessionaire will be responsible for maintaining and ensuring the coin changer is operable. Risk of loss or damage to the machine and its contents remain with the concessionaire.

p. Cash collections.

(1) A joint count of money in amusement machines by the concessionaire and a representative of the AVMF is required to verify the count of money removed from the machines. If the coin counting meter is inoperable, a joint verified cash count is sufficient.

(2) The concessionaire will provide machines with installed coin counters (metering devices) on cash collection boxes. These coin counting meters shall be able to detect and reject foreign coins or slugs. Actual cash collected will be compared to receipts, and any significant variances will be investigated.

(3) Cash collections will be made at least once each month from the machines and more frequently if desired.

(4) The COR must maintain an inventory list of contractor-owned machines to include serial numbers and the location of each machine. The inventory records will be updated when the machines are changed or rotated. A current list will be provided to the cash collection team. In no case will a machine be removed before a final cash collection is made.

(5) The machine will be unlocked and the coin count meter read. The difference between the two readings will be the number of times the machine has been played since the last collection. The number of times the machine has been played (less malfunctions) multiplied by the cost per play should equal the amount of money in the cash box and the amount recorded on the cash collection voucher.

(6) If the actual cash varies from the meter readings, the concessionaire will check for mechanical malfunctions or tampering. The concessionaire shall submit a written report adjusted for refunds.

(7) The amusement machines will be inventoried on the premises in the presence of the COR or his or her designated representative. The joint count of money in the machines will be conducted by an AVMF fund representative and the vendor.

(8) The verified count will be recorded on DA Form 4083-R provided by the COR. The "fund representative" block will be signed by the person conducting the joint count, and the "concessionaire representative" block will be signed by the vendor. The COR may sign in the "command representative" block as a witness to the collection process. A copy will then be provided to each of the participating parties to document the cash collected.

(9) The concessionaire will remove all cash from the premises. Payment to the MEPS AVMF will be paid by check not later than the 10th calendar day of the following month. A check stub or voucher shall accompany the check referencing the month for which payment is made. The payment shall be the percentage of the monthly gross receipts from amusement machine operation as specified in the schedule.

q. Key control. Keys must be properly controlled to restrict access to the cash boxes and internal control devices. The MEPS keys will remain in the custody of the COR during the coin count. The keys will be provided to the individual performing the joint count when required for cash collections or service calls by the concessionaire.

r. Termination.

(1) The contracting officer, by written notice, may terminate the contract, in whole or in part, when such action is in the best interests of the AVMF. If the contract is so terminated, the rights, duties and obligations of the parties will be IAW the applicable sections of the Federal Acquisition Regulation in effect on the date of the contract.

(2) The contracting officer, by written notice, may terminate this contract, in whole or in part, for failure of the concessionaire to perform any of the provisions hereof. In such event, the concessionaire will be liable for damages, including the excess cost of reprocuring similar service.

(3) Upon termination for default or convenience, the concessionaire shall promptly or NLT 1700 hours of the third day following final performance based on such termination, remove their amusement equipment. If the concessionaire fails to remove said property, while under termination status, the contracting officer may cause such property to be removed at the expense of the concessionaire.

s. Covenant against gratuities. The concessionaire warrants no gratuities (in the form of entertainment, gifts or otherwise) were offered or given by the concessionaire, to any officer, agent or employee of the AVMF with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending or making of any determinations with respect to the performance of such contract. For breach or violation of this warranty, the contracting officer will have the right to terminate this contract without liability and, at its discretion, to deduct from the amount due to the concessionaire under this contract, the full amount of any such gratuities or the value thereof.

t. Option to extend the term of the contract. At the option of the AVMF, the contracting officer may give written notice of renewal to the concessionaire. Such preliminary notice shall not be deemed to commit the government to a renewal. If the Government exercises the option for renewal, the contract as renewed, shall be deemed to include this option provision. However, the total of this contract, including the exercise of any option under this clause, will not exceed 5 years. In the event the concessionaire does not desire to renew the contract, they shall so indicate and include reason(s) therefor in writing. The written notice shall be received by the contracting officer a minimum of 90 days prior to the expiration date of the contract or any current option.

u. Prices for patrons. The concessionaire shall charge for play of amusement machines only those prices quoted in the contract or those prices approved by the contracting officer. Approved prices shall be conspicuously displayed at the place of operation of the amusement machines.

F-5. Evaluation factors
Basis of contract award.

a. Subject to the provisions contained herein, award will be made to a single offeror. Any award to be made will be based on the best overall proposal with appropriate consideration given to the evaluation factors stated below. To be considered for award, proposals shall conform to all terms and conditions contained in the Request for Proposal.

b. Government personnel will evaluate all proposals. The proposals will be rated strictly IAW its contents. No assumptions concerning performance will be made. All areas concerning performance will be specified in the offeror's written proposal.

c. Proposals that are unrealistic in terms of percentage to the AVMF will be deemed as failing to comprehend the proposed contractual requirements and may be grounds for rejection of the proposal.

d. Significant evaluation factors or Percentage to the Fund. The contract will be awarded to the responsive bidder whose offer will result in the most advantageous percentage fee to the AVMF. Evaluations of offers will be on the basis of the fee offered for the base period (0001) exclusive of the option periods (0002 through 0005). Varying fees may be offered for option years.

Glossary

Section I
Abbreviations

ABIF
Army Banking Investment Fund

ACIF
Army Central Insurance Fund

ATTN
attention

AVMF
Amusement Vending Machine Fund

COR
contracting officer representative

CTA
common tables of allowances

DA
Department of the Army

DOD
Department of Defense

DRMO
Defense Reutilization and Marketing Office

FOB
freight on board

FWT
fair, wear, and tear

FY
fiscal year

GSA
General Services Administration

HQ USMEPCOM
Headquarters, United States Military Entrance Processing Command

IAW
in accordance with

ID
identification

LIN
line item number

MEPS
military entrance processing station

MWR
morale, welfare, and recreation

NAF
nonappropriated funds

NAFI
nonappropriated funds instrumentality

NCO
noncommissioned officer

NLT
not later than

P&C
purchasing and contracting

RIMP
Risk Management Program

SF
Standard Form

TDA
tables of distribution and allowances

U.S.
United States

U.S.C.
United States Code

USMEPCOM
United States Military Entrance Processing Command

VCR
video cassette recorder

Section II
Terms

amusement vending
A coin or currency operated machine that provides services of a recreational nature as opposed to dispensing material objects. Examples are jukeboxes, pinball machines, video games, other electronic game machines, automatic pool tables, shuffleboard, etc.

AVMF
The fund used by USMEPCOM to provide MWR services for its assigned military and civilian personnel at the MEPS. All AVMFs are financed by commissions paid by concessionaires authorized by contract to operate amusement and vending machines within the MEPS.

beneficiary
A recipient of the benefits purchased with AVMF income.

budget
A plan of the financial position of an AVMF for a FY based upon estimates of income and expenditures during the period and proposals for their financing. Approval of the budget based upon projected income does not constitute expenditure authorization.

commitment
An administrative reservation of funds against a future obligation.

concessionaire
An entrepreneur placed under contract to an authorized NAFI for the purpose of providing services and/or goods.

contracting officer
A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings

contracting officer representative (COR)
An individual designated in accordance with subsection 201.602-2 of the Defense Federal Acquisition Regulation Supplement and authorized in writing by the contracting officer to perform specific technical or administrative functions.

expendable property
AVMF property with a unit cost of less than $100.

fraud
The act of willfully taking or attempting to take unfair advantage of the NAFI.

nonappropriated funds
Government funds used for the collective benefit of those who generate them.

nonexpendable property
AVMF property with a unit cost and like items with a total cost of $100 or more.

ordering officer
An individual appointed by the warrant contracting officer to make AVMF purchases not to exceed $1,000.

over-the-counter purchases
Simultaneous exchange of goods for money.

pilferable property
AVMF property with a unit cost and like items with a total cost of less than $100 that is highly susceptible to theft.

shared cost
A specific amount of money that is paid by each beneficiary to offset the cost of an AVMF purchase or activity.

State Licensing Agency for the Blind
A vocational rehabilitation agency designated by the Commissioner of Rehabilitation Services Administration and the U.S. Department of Health and Human Services to issue licenses to blind citizens for the operation of vending machines on Federal property in each State.

unit fund
Monies provided by the installation responsible for the unit or the coordinating installation. These funds are expended for the off-duty recreational purpose of all assigned military personnel.

vending machine
A coin or currency operated machine that dispenses material objects, such as newspapers, periodicals, publications, confections, tobacco products, food, and nonalcoholic beverages.

warranted contracting officer (WCO)
An individual warranted by the Commander, USMEPCOM to make AVMF purchases not to exceed $5,000 and has no check writing authority.