



DEPARTMENT OF THE NAVY  
U.S. NAVAL FORCES MARIANAS SUPPORT ACTIVITY

PSC 455, BOX 152  
FPO AP 96540-1000

IN REPLY REFER TO:

NAVMARIANASSUPPACTINST 1710.3A

N01J

14 JUL 2003

NAVMARIANASSUPPACT INSTRUCTION 1710.3A

Subj: ESTABLISHMENT AND OPERATION OF PRIVATE ORGANIZATIONS

Ref: (a) DoD Instruction 1000.15  
(b) NAVCOMPT Manual, section 075261  
(c) BUPERSINST 5890.1

Encl: (1) Request for Authorization to Operate a Private Organization (Sample Format)  
(2) Request for Authorization to Continue Operation (Sample Format)  
(3) Current Membership Roster (Sample Format)  
(4) Financial Report (Sample Format)  
(5) Banking Activity Authorization (Sample Format)  
(6) Special Function Request (Sample Format)  
(7) Minimum Audit Procedures Required of Audit Boards

1. Purpose. To implement policies, standards, responsibilities, and procedures consistent with references (a) through (c) regarding the operation of private organizations on U.S. Naval Forces Marianas Support Activity (NAVMARIANASSUPPACT) installations.

2. Cancellation. NAVMARIANASSUPPACT 1710.3.

3. Applicability. This instruction applies to private organizations authorized to operate on NAVMARIANASSUPPACT installations.

4. Definitions

a. DoD components (per reference (a)). The Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Defense Agencies, and DoD Field Activities.

b. NAVMARIANASSUPPACT Installation. A location, facility, or activity owned, leased, assigned to, controlled or occupied by Naval Forces Marianas Support Activity.

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c. Commanding Officer. Commanding Officer, U.S. Naval Forces Marianas Support Activity.

d. Private Organizations. Self-sustaining and non-Federal entities, incorporated or un-incorporated, which are operated on NAVMARIANASSUPPACT installations with the written consent of the Commanding Officer or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government. Per reference (b), private organizations are not:

(1) Non-appropriated fund instrumentalities nor is there an official relationship between their activities and those of Department of Defense (DoD) personnel who are members or participants.

(2) Held to be an integral part of the military organizations, due to the nature of the functions which they perform and the particular characteristics of these organizations which provide for limited government supervision, as opposed to the extensive supervision exercised over non-appropriated fund instrumentalities.

5. Responsibilities

a. Per reference (a), the Commanding Officer shall be kept aware of all private organizations located on NAVMARIANASSUPPACT installations, and ensure that periodic reviews of private organizations are conducted to:

(1) Ensure for each such private organization, that the membership provisions and purposes on the basis of which the organization was permitted on the installation continue to apply, thereby justifying continuance on the installation. Substantial changes to those conditions shall necessitate further review, documentation, and approval for continued permission to remain on the installation.

(2) Furnish reports as required.

b. Per reference (c), a private organization can be discontinued or dissolved upon the determination of its membership or upon the determination by the Commanding Officer to withdraw the authorization for the private organization to operate onboard the installation.

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6. Procedures. Per reference (a):

a. Private organizations may include the name or abbreviation of the DoD component, organizational unit or installation in their name, provided that they take effective steps to ensure their status as a private organization is apparent and unambiguous. Such steps include, at a minimum: R)

(1) Private organizations may not use the seals, logos, or insignia of any DoD component, organizational unit, or installation on the private organization's letterhead, correspondence, or in its title (including but not limited to the COMNAVMARIANAS Cross-Roads emblem). R)

(2) Any use of the name or abbreviation of a DoD component or installation may not mislead members of the public to assume a private organization is an organizational unit of the Department of Defense. Private organizations that incorporate names or abbreviations of DoD components, organizational units, or installations must receive prior approval for such use by the head of the appropriate DoD organization. R)

(3) Private organizations shall use a prominent disclaimer on all print and electronic media confirming that the private organization is not a part of the Department of Defense. R)

b. Activities of private organizations covered by this Instruction shall not in any way prejudice or discredit the DoD components or the other Agencies of the Federal Government. D)

c. The nature, function, and objectives of a private organization covered by this Instruction shall be delineated in a written constitution, by-laws, charter, articles of agreement, or other authorization documents acceptable to the Commanding Officer. That documentation shall also include:

(1) Description of membership eligibility in the private organization.

(2) Designation of management responsibilities, to include the accountability for assets, satisfaction of liabilities, disposition of any residual assets or dissolution, and other matters that show responsible financial management.

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(3) Documentation indicating an understanding by all members as to whether they are personally liable if the assets are insufficient to discharge all liabilities.

d. A private organization covered by this instruction that offers programs or services similar to either appropriated or non-appropriated fund activities on a DoD installation shall not compete with, but may, when specifically authorized in the approval document, supplement those activities.

e. Private organizations covered by this instruction shall be self-sustaining, primarily through dues, contributions, service charges, fees, or special assessment of members. There shall be no financial assistance to a private organization from a non-appropriated fund instrumentality in the form of contributions, repairs, services, dividends, or other donations of money or other assets. Separate instruction(s), regulation(s), and/or directive(s) govern fundraising and membership drives.

f. DoD components may provide logistical support to private organizations with appropriated Federal Government resources in accordance with separate instruction(s), regulation(s), and/or directive(s). Non-appropriated fund instrumentalities funds or assets shall not be directly or indirectly transferred to private organizations.

g. Separate instruction(s), regulation(s), and/or directive(s) govern personal and professional participation in private organizations by DoD employees.

h. Neither appropriated fund activities nor non-appropriated fund instrumentalities may assert any claim to the assets, or incur or assume any obligation of any private organization covered by this instruction except as may arise out of contractual relationships. Property abandoned by a private organization on its dissolution or departure from the installation, or donated by it to the installation, may be acquired by the DoD installation under the terms of applicable agreements, statutes, and DoD policy.

i. Adequate insurance, as defined by the Service concerned, shall be secured by the organization to protect against public liability and property damage claims or other legal actions that may arise as a result of activities of the organization or one or more of its members acting in its behalf, or the operation of

any equipment/apparatus or device under the control and responsibility of the private organization. Per reference (c):

(1) The private organization and its members are liable both jointly and severally (i.e., separately) for any liability claims that may arise as a result of their activities, or acts of omission that result in the wrongful death or injury of third parties (individuals who are not members or otherwise associated with the private organization).

(2) The MWR organization and the U.S. Navy are not responsible for any liability claims associated with a private organization affiliated with any individual Naval Installation. To protect the members of a private organization, Commanding Officers, and the U.S. Navy from the adverse financial consequences of claims, private organizations must purchase comprehensive general liability insurance.

(3) As a minimum, Comprehensive General Liability insurance policy limits of \$500,000 per person, with a \$1,000,000 total limit per occurrence for bodily injury or death, and a \$100,000 property damage (primarily for damage caused by the private organization to Navy owned property) limit per occurrence are required. Policy limits for automobile liability insurance shall at least meet minimum limits required in Guam.

j. Private organizations shall be responsible for ensuring applicable fire and safety regulations, environmental laws, local, Guam, and Federal tax codes, and any other applicable statutes and regulations are complied with in the operation of the private organization.

k. Income shall not accrue to individual members except through wages and salaries as employees of the private organization or as award recognition for service rendered to the private organization or military community. The Commanding Officer may approve the operation of private organizations, such as investment clubs, in which the investment of members' personal funds result in a return on investment directly and solely to the individual members.

l. No person because of race, color, creed, sex, age, disability or national origin, shall be unlawfully denied membership, unlawfully excluded from participation, or otherwise subjected to unlawful discrimination by any private organization covered by this instruction. NAVMARIANASSUPPACT will publicly

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disseminate information on procedures for individuals to follow at NAVMARIANASSUPPACT installations when unlawful discrimination by private organizations is suspected.

m. Applicable laws on labor standards for employment shall be observed.

n. This instruction does not apply to the following organizations, which are governed by separate instruction(s), regulation(s), and/or directive(s):

(1) Scouting organizations operating at U.S. military installations located overseas.

(2) American National Red Cross.

(3) United Service Organizations, Inc..

(4) United Seamen's Service.

(5) Financial Institutions on DoD Installations.

o. Certain unofficial activities may be conducted on DoD installations, but need not be formally authorized because of the limited scope of their activities, membership or funds. Examples are office coffee funds, flower funds, and similar small, informal activities and funds. NAVMARIANASSUPPACT shall establish the basis upon which such informal activities and funds shall operate.

7. Action. Type 2 and 3 private organizations, as categorized by reference (b), must initiate the following actions:

a. Request formation of the private organization in writing to the Commanding Officer using the format of enclosure (1). Each request shall include a proposed constitution and by-laws, including documentation specified in paragraph 6.c., an estimate of membership strength, proposed affiliation with related local, state or national organizations, and proof of Comprehensive General Liability insurance specified in paragraph 6.i..

(1) The Commanding Officer is authorized to approve formation of private organizations and approve changes to existing constitutions, by-laws or governing regulations.

(2) Each request shall be routed through the NAVMARIANASSUPPACT Staff Judge Advocate for endorsement. If a

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prospective organization requests to operate at U.S. Naval Computer and Telecommunications Station, the Commanding Officer of the respective installation shall provide the first endorsement to the request.

b. Each operating private organization shall submit a request for authorization to continue operation, using the format of enclosure (2), every 36 months or upon a change in the membership provisions or purposes on the basis of which the organization was last approved, whichever is sooner. This request shall include:

(1) A current membership roster, indicating whether members are active duty or retired military, dependents, civilian employees or civilians. Enclosure (3) is the current membership roster format.

(2) Annual report of financial operations. Enclosure (4) is the financial report format. If this format is unsuitable or incomplete with respect to financial operations or is redundant to other accounting formats already in use, the organization should bring this to the attention of the NAVMARIANASSUPPACT Quality of Life Program Manager. With concurrence of the Quality of Life Program Manager, some other mutually agreeable format may be used for the annual report of financial operations if the same or greater level of accountability is demonstrated.

(3) Proof of Comprehensive General Liability Insurance specified in paragraph 6.i..

(4) If applicable, documentation of the change in the membership provisions or purposes on the basis of which the organization was last approved.

c. The Staff Judge Advocate (Code N01J) is authorized to approve, by direction, the continuance of private organizations.

d. Each operating private organization shall submit an annual report of financial operations, at the close of its fiscal year. The format of enclosure (4) shall be used unless another format demonstrating the same or greater level of accountability is approved by the NAVMARIANASSUPPACT Quality of Life Program Manager. These reports shall be submitted to, and reviewed and retained by the NAVMARIANASSUPPACT Quality of Life Program Manager.

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e. Each private organization shall submit a letter of authorization to transact financial operations with a banking facility, using the format of enclosure (5). This letter shall be updated whenever the organization's officers change.

f. Private organizations desiring to conduct special functions (as opposed to routine meetings) shall request authorization using the format of enclosure (6). The Staff Judge Advocate will review each request to determine the propriety of execution on government property and appropriate action.

g. Private organizations shall comply with the following:

(1) The sale of alcoholic beverages of any kind is prohibited unless prior authorization is obtained from the Commanding Officer.

(2) The sale of merchandise, goods or services, or the pursuit of any activity that conflicts or competes with the business of NAVMARIANASSUPPACT or other non-appropriated fund activities is prohibited unless prior authorization is obtained from the Commanding Officer.

(3) The President or Senior Executive Officer shall appoint, or the membership shall elect an Audit Board that shall be responsible for conducting an annual audit at the conclusion of the organization's fiscal year. The professional services of an accountant or a public or certified public accountant may be engaged if the cost is borne by the organization. Enclosure (7) provides guidelines for the required audit.

(4) Organizations shall maintain financial accounts and records, and/or a bookkeeping system that is in accordance with generally accepted accounting and business practices.

(5) Organizations shall ensure that the constitution and by-laws, charter, articles of agreement or statement of purpose of the organization establishes procedures for election and relief of responsible officers, duties of those officers, procedures for required audits and the disposition of residual funds and transfer of property.

(6) Upon dissolution, organizations shall notify the Commanding Officer in writing, via the Staff Judge Advocate, and

submit a close out financial report using the format in enclosure (4).

8. Facility and Assistance. No assurance can be given that NAVMARIANASSUPPACT facilities such as buildings, equipment, furniture, etc., will be made available to private organizations. It is the policy of this command to provide facilities to the extent available, however, organizations should expect to provide their own furniture and equipment.

a. The NAVMARIANASSUPPACT Morale, Welfare, and Recreation (MWR) department will provide reasonable assistance in scheduling such facilities. Use of these facilities shall be by license, which may be revoked at any time should requirements so dictate. Every effort will be made to provide adequate advance notice of such revocation.

b. If and to the extent practicable, the NAVMARIANASSUPPACT MWR Department will also provide other assistance such as help in publicizing activities, dissemination of information important to a particular private organization, and assistance in obtaining equipment. Non-appropriated funds shall not be spent on such assistance.

9. Withdrawal of Authorization. The Commanding Officer may at anytime and without notice, withdraw authorization of any private organization when it is considered to be in the best interest of NAVMARIANASSUPPACT.



R. A. McNAUGHT

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REQUEST FOR AUTHORIZATION TO OPERATE A PRIVATE ORGANIZATION

(Organization Heading)

From: President, (Activity name for which authorization is being requested)  
To: Commanding Officer, U.S. Naval Forces Marianas Support Activity  
Via: (1) Staff Judge Advocate, U.S. Naval Forces Marianas Support Activity  
Subj: REQUEST FOR AUTHORIZATION TO ESTABLISH A PRIVATE ORGANIZATION

Ref: (a) DoD Directive 1000.15  
(b) NAVMARIANASSUPPACTINST 1710.3

Encl: (1) Proposed Constitution and By-Laws  
(2) Proof of Comprehensive General Liability Insurance

1. In accordance with references (a) and (b), request the (enter activity name for which authorization is being requested) be authorized to operate within the confines of Naval Forces Marianas Support Activity as a private organization. Upon approval, this organization shall operate in strict compliance with references (a) and (b).

2. Per reference (b), enclosures (1) and (2) are submitted and the following information is provided:

a. Name: (Enter name of activity for which authorization is being requested).

b. Purpose: (Enter purpose as set forth in enclosure (1)).

c. Activities: (Enter brief statement of activities to be conducted).

d. Membership: (Enter estimated number of members and composition of membership, i.e., military, dependent, youth dependent, etc).

e. Financial Plan: (Include a plan for a full self-sustaining operation including a system for audit and control).

f. Affiliation: (Enter proposed affiliation with a State or National Organization (if any)).

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g. Requirements: (Enter facilities, equipment or services requirements; if none, so state).

3. A listing of officers and a membership roster shall be provided once approval to operate has been granted.

4. Additional requirements or comments: (Use this paragraph to explain the additional requirements or for additional comment.)

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(Signature)

Copy to:

MWR Director (N14)

Quality of Life Program Manager

REQUEST FOR AUTHORIZATION TO CONTINUE OPERATION

(Organization Heading)

From: President, (Enter official designation of activity)  
To: Commanding Officer, (Enter applicable installation)  
Via: Staff Judge Advocate, U.S. Naval Forces Marianas Support  
Activity

Subj: REQUEST FOR AUTHORIZATION TO CONTINUE OPERATING AS A  
PRIVATE ORGANIZATION

Ref: (a) DoD Directive 1000.15  
(b) NAVMARIANASSUPPACTINST 1710.3

Encl: (1) Annual Financial Report  
(2) Current Membership Roster  
(3) Proof of Comprehensive General Liability Insurance  
(4) If applicable, documentation of the change in the  
membership provisions or purposes on the basis of  
which the organization was last approved

1. In accordance with references (a) and (b), request the  
(enter official designation of activity) be authorized to  
continue to function onboard (enter applicable installation)  
during calendar years \_\_\_\_\_ (enter applicable three (3)  
year period). This organization shall continue to be operated  
in strict compliance with references (a) and (b).

2. (The (Constitution and By-Laws) (Governing Regulations) have  
not been changed during the past three-year reporting period,  
(except as approved by the Commanding Officer, U.S. Naval Forces  
Marianas Support Activity, letter or endorsement as appropriate,  
date...) and shall not be changed without prior written approval  
of the Commanding Officer.) OR (Enclosure (4) is submitted to  
propose the amendment to the (Constitution and By-Laws)  
(Governing Regulations) for approval by the Commanding Officer,  
U.S. Naval Forces Marianas Support Activity. They shall not be  
further amended except as approved by the Commanding Officer.)

3. The current officers of the activity are listed in enclosure  
(2). In the event the President, Secretary, or Treasurer  
changes, the Commanding Officer shall be notified in writing via  
the Staff Judge Advocate.

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4. As required by references (a) and (b), enclosures (1) through ( ) are submitted.

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Signature

Copy to:

Quality Of Life Program Manager (NQOL)

CURRENT MEMBERSHIP ROSTER

MILITARY PERSONNEL/DEPENDENTS

NAME      STATUS      RANK/UNIT      ADDRESS/PHONE

DOD CIVILIAN PERSONNEL

NAME      GRADE/UNIT      ADDRESS/PHONE

NON-DOD CIVILIANS

NAME      SPONSOR (FROM ABOVE LIST)      ADDRESS/PHONE

Copy to:  
Quality of Life Program Manager (NQOL)  
Staff Judge Advocate (N01J)

SAMPLE FINANCIAL REPORT FORMAT

(ORGANIZATION HEADING)

\_\_\_\_\_  
DATE

BALANCE SHEET

ASSETS

Cash

Petty Cash Fund

Cash on Hand

Cash in Bank, General Account

Accounts Receivable

LIABILITIES AND CAPITAL

Accounts Payable

Taxes Payable

Capital

Operating Capital

Total Liabilities and Capital

Value of Property

\_\_\_\_\_  
(Signature of Treasurer)

\_\_\_\_\_  
(Signature of President)

(Optional)

ACCOUNTS AUDITED AND FOUND TO BE CORRECT:

\_\_\_\_\_  
(Senior Member, Audit Board)

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(ORGANIZATION HEADING)  
STATEMENT OF INCOME AND EXPENSES

1 January \_\_\_\_\_ to 31 December \_\_\_\_\_

Starting Balance 1 January \_\_\_\_\_ \$ \_\_\_\_\_

Income:

Membership Due \$ \_\_\_\_\_

Book Sales \_\_\_\_\_

Commissions \_\_\_\_\_

Total Income \$ \_\_\_\_\_

Expenses:

(Classify as necessary,  
such as;

Salaries and Wages \$ \_\_\_\_\_

Insurance \_\_\_\_\_

Supplies \_\_\_\_\_

Administrative \_\_\_\_\_

etc.)

Total Expenses \$ \_\_\_\_\_

Ending Balance 31 December \_\_\_\_\_ \$ \_\_\_\_\_

Net Increase/Decrease to Operating Capital \$ \_\_\_\_\_

Copy to:

Quality of Life Program Manager (NQOL)

Staff Judge Advocate (N01J)

BANKING ACTIVITY AUTHORIZATION

(Organizational Heading)

DATE

Bank of \_\_\_\_\_  
P.O. Box ###  
City, State Zip Code

Dear Sir:

(Enter appropriate name(s)) whose signature(s) appear(s) below (is/are) authorized to withdraw funds from all types of bank accounts which are carried under the designation of the (enter name of organization, applicable installation), U.S. Naval Forces, Marianas Support Activity.

This authorization is effective on and after (date), and remains in effect until further notice.

Any previous authorization for individuals to withdraw funds from the bank accounts designated above is revoked effective at the close of business on (date).

\_\_\_\_\_ Specimen Signature

\_\_\_\_\_ Specimen Signature

Sincerely,

\_\_\_\_\_  
(Signature)

Copy to:  
Quality Of Life Program Manager (NQOL)  
Staff Judge Advocate (N01J)

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SPECIAL FUNCTION REQUEST

DATE

From: \_\_\_\_\_

To: Commanding Officer, (applicable installation)

Via: (1) Recreation Supervisor, U.S. Naval Forces Marianas Support Activity

(2) Quality Of Life Program Manager (NQOL), U.S. Naval Forces Marianas Support Activity

(3) Staff Judge Advocate (NO1J)

Subj: REQUEST FOR SPECIAL FUNCTION

1. Type of Activity Requested. \_\_\_\_\_

2. Date and Time (include how long). \_\_\_\_\_

3. Place. \_\_\_\_\_

4. Number of participants expected - Military/Civilian. \_\_\_\_\_

5. Purpose and how funds are to be used (if fund raising event or admission fee is to be charged). If admission fee is to be charged, state how much. \_\_\_\_\_

6. Rules and regulations governing activity (including supervision and active safety measures, if required). \_\_\_\_\_

7. Other information. \_\_\_\_\_

\_\_\_\_\_  
(Signature)

NOTE: Original and three copies must be submitted at least 45 days before proposed activity date.

MIMIMUM AUDIT PROCEDURES REQUIRED OF AUDIT BOARDS

1. The audit board shall conduct an examination of the accounts and records that will include, but will not be limited to, the following audit steps:

- a. Count cash on hand.
- b. Reconcile the latest bank statement to the cash account. Request a current statement from the bank if necessary.
- c. Audit checkbook - examine canceled checks for payees, endorsements and dates; compare with check stubs; trace checks to expense record; age outstanding checks.
- d. Audit cash income record - examine receipts or documentation of cash received; add increases and decreases.
- e. Audit expense record - add and classify various expense items; trace business papers (vendor's bills, invoices, register receipts, etc.), and verify support for entries to the expense record.
- f. Using the data developed in the above procedures, reconcile cash receipts and disbursements.
- g. Conduct a physical inventory, if applicable, and compare its aggregate value with the amount of inventory property on charge per records.
- h. Age accounts payable and accounts receivable, if applicable.
- i. Examine evidence of insurance for current status, and amounts and kinds of coverage for adequacy.
- j. Determine tax status, and if applicable, check for compliance with state and federal laws.
- k. Verify the accuracy of financial statements from the general books presented for audit, or prepare a financial report.
- l. Submit a report of audit to the President and furnish a copy to the Treasurer. This may be accomplished by signing the

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typed notation "ACCOUNTS AUDITED AND FOUND TO BE CORRECT" on the balance sheet of the financial report, unless conditions or circumstances warrant the submission of a separate detailed report. A copy of the audit report, regardless of form, shall be furnished to the Commanding Officer, U.S. Naval Forces Marianas Support Activity via the Quality Of Life Program Manager (NQOL).