

Commanders and Directors,

Our FSS and AAFES vending and food outlets work hard to supply a needed service to our base population. Revenue from authorized operations are returned to our installation through 412 FSS Services and MWR programs such as non appropriated fund equipment and supplies, NAF facility improvement and community activity programs benefit our Airmen.

There is AF policy regarding the operation of private snack bars allowing for small unofficial activities (like coffee funds, flower funds, sunshine funds, and other small operations) as long as their current assets (which include cash, inventory, receivables, and investment) do not exceed a monthly average of \$1,000 over a three month period.

Guidance for snack bars falls under private organization (booster club) AFI 34-223, *Private Organization Program*, and fall within the categorization of “unofficial activities/organizations” (UA/O). In summary, snack bars cannot exceed a monthly average of \$1,000 over a three-month periods (which include cash, inventory, receivables, and investments). If the activity exceeds the monthly average, they must either reduce their assets or choose to discontinue their snack bar.

A question that must be answered is whether a snack bar is intended to be a fund-raising activity. If a snack bar is operated with a purpose of raising funds, then the limitations in AFI 36-3101, *Fundraising Within the Air Force*, will apply. If, instead, the snack bar is operated as a collective purchase activity for the express purpose of providing snacks and limited commercially packaged food items for unit personnel at cost, the fundraising limitations will not apply.

Snack bars that are not fund-raising activities and are operating as UA/Os are generally permissible, subject to the following rules: (1) Must not engage in activities that duplicate or compete with the Army and Air Force Exchange Service (AAFES), Services activities, or non-appropriated fund instrumentalities (NAFI), (2) engage in continuous resale of merchandise, and (3) must not sell alcoholic beverages.

To avoid direct competition with—or duplication of ---AAFES or NAFI activities, snack bars should not offer identical items available from these facilities. UA/O snack bars must operate as a collective purchase activity. In other words, if office personnel combine funds to collectively buy food items and share the cost that is permissible. Money may be collected upfront or as items are purchased, but the cost of the items must closely approximate the initial cost. Prices may not be increased above the initial cost for the purpose of raising money for the office “slush fund.” Charging more for an item than its retail cost for the purpose of raising money would be considered fundraising activities subject to the limitations in AFI 36-101.

If you have any snack bars not in compliance with AF policy coordinate with the civilian personnel staff since eliminating a past practice may result in a bargaining obligation. Bargaining obligations will need to be completed prior to changing working conditions of bargaining unit employees.

Vending machines offered by the Civilian Welfare Fund (CWF) are convenient alternatives to the snack bars. Coordinate with 412 FSS CWF POC at 277-3430 or 277-7760 for snack or beverage machines.