

NONAPPROPRIATED FUNDS AND RELATED ACTIVITIES

UNIT FUNDS

This regulation contains a revised accounting system and provides for consolidation of unit funds within a State for investment purposes. Wherever the word "he" is used in the regulation, it is intended to include both the masculine and feminine genders, unless otherwise indicated.

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**1. Purpose.** This regulation prescribes policies and procedures for nonappropriated military welfare funds for the Army National Guard derived from Federal sources.

**2. Policy. a.** Policies and procedures for the establishment and administration of unit funds derived from other than Federal sources will be prescribed by the respective State Adjutant General.

**b.** AR 230-1 and 230-65 as pertains to unit funds are applicable to the Army National Guard (ARNG), except as modified herein.

**3. Source of funds. a.** Funds derived from the following sources will be accounted for and used as nonappropriated funds from Federal sources.

(1) Nonappropriated military welfare funds received by ARNG units during the annual field training period.

(2) Other funds made a part of Federal source funds by authority of the respective State Adjutant General.

(3) Income from investments of these funds.

(4) Proceeds from the sale of fund-owned assets.

**b.** These funds are considered "an instrumentality of the United States" and will not be commingled with State funds or used under any State policies, procedures, or directives.

**4. Consolidated unit funds. a.** A consolidated unit fund composed of all the ARNG unit funds in a

particular State may be authorized. The purposes of such a fund are the efficient operation of unit funds and the opportunity to gain additional revenue through investments. A consolidated fund provides a central record and paying agency, reducing the workload of unit ASTs.

**b.** The request to establish a consolidated unit fund must be submitted by the State Adjutant General and approved by NGB-ARC-M before establishing such a fund.

**c.** Under such an arrangement, each individual unit appoints a fund council, which performs the duties and responsibilities as outlined in AR 230-1.

**d.** The custodian of the consolidated unit fund is appointed by the State Adjutant General. He is responsible for maintaining records for each unit in accordance with Army and National Guard directives. The custodian makes expenditures for goods and services that are authorized by the individual unit fund council.

**e.** Investments of funds made by such a consolidated fund may be made in accordance with paragraphs 2-7a, d, and e, AR 230-1. Such investments will be restricted to those prescribed in chapter 2, section III, AR 230-1. The investment of such funds in accounts that assess a penalty for early withdrawal will be avoided.

**5. Command supervision and responsibility.** The State Adjutant General has supervisory responsibility for all nonappropriated funds covered by

\*This regulation supersedes NGR 230-21, 20 January 1971.

this regulation. Commanders at all levels are responsible for evaluating morale, welfare, and recreational programs to determine that nonappropriated welfare funds are used to achieve maximum benefit for all personnel.

**6. Administration.** *a.* The commanding officer of the highest organizational command present at the training installation will designate the unit fund to receive dividend checks from the Morale Support Fund of the installation. These funds may be administered centrally or distributed all or in part to subordinate units and will be administered as unit funds.

*b.* Unit funds will be established at levels of command where the most economical use of funds may be made to benefit all personnel.

*c.* Unit fund councils will be appointed for the administration and supervision of the funds. Units that have had no unit fund financial transactions during the period of a calendar quarter are exempt from quarterly council meeting requirements.

*d.* States may desire to establish custodians for unit funds instead of unit fund councils in accordance with chapter 4, AR 230-1. Unit fund councils need not be appointed if the State establishes custodians for unit funds.

**7. Records.** Basic and supplementary accounting records and forms for unit funds of ARNG activities will be maintained in accordance with section III, chapter 9, AR 230-65, except for the following:

*a.* Waiver for filing vouchers by months is granted when the volume of transactions is too small to warrant the establishment of monthly files.

*b.* The preparation of the cash, property and reconciliation record will be required for those months in which transaction(s) occur. Otherwise, the cash, property, and reconciliation record will be limited to preparation at the end of each quarter of the fiscal year.

**8. Use of fund for processing subsistence collections.** ARNG unit funds may be used by unit commanders for processing the turn in of cash collections for subsistence to the USPFO. Under this special authority, cash collections for subsistence may be deposited in the unit fund account, and a check for the same amount made payable to the Treasurer of the United States will be issued immediately, provided there is no bank service charge for such check. The check will then be transmitted promptly by regular mail to the USPFO.

**9. Dissolution.** Transfer of assets of a unit fund is authorized in connection with inactivation, reorganization, or conversion of units to:

*a.* Fund of new unit when unit is redesignated.

*b.* Fund of new unit when entire organization is transferred to that unit.

*c.* New units on a pro rata basis when entire organization is reconstituted into one or more units located in the same State.

**10. Audits and inspections.** *a.* Regular audits and inspections will be made as prescribed by the respective State Adjutant General. No requirement will be necessary for an audit or inspection of unit fund accounts that have a zero balance and there is no activity in the account since the date of the last audit or inspection.

*b.* Annual inspection will be made each year during the annual visit by The Inspector General of the Army area.

*c.* Unit funds will be audited in accordance with the procedures in paragraph 1-6h, AR 36-75 for funds using a single entry cash basis system of accounting.

**11. Order or call to active duty.** Paragraph 6-10, AR 135-300 and paragraphs 4-18 and 4-26, AR 230-1 will apply in cases of mobilization and demobilization of units.

**Users of this regulation are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to NGB-ARC, Washington, DC 20310**

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