

## Chapter 6

### COMMERCIAL SPONSORSHIP AND ADVERTISING

Ref: (a) DoD Instruction 1015.10 of 06 Jul 09  
(b) OPNAVINST 5380.1B  
(c) SECNAVINST 4001.2J  
(d) DoD Instruction 5120.4 16 June 1997  
(e) DoD 7000.14-R, Department of Defense Financial Management Regulation of February 2011  
(f) DoD Instruction 1344.07 of 30 March 2006  
(g) SECNAVINST 1740.2E  
(h) CNO WASHINGTON DC 032305Z May 06 (NAVDMIN 128/06)  
(i) DoD Instruction 1015.15 of 31 October 2007  
(j) SECNAVINST 11011.47B  
(k) DoD Instruction 5410.19 of 13 Nov 01  
(l) SECNAVINST 5720.44B

#### 601. Commercial Sponsorship

a. Commercial sponsorship is a contractually based arrangement in which various types of sponsor recognition is provided in exchange for financial or in-kind consideration. Within the Department of Defense (DoD), only MWR activities can enter into and conduct commercial sponsorships. Commercial sponsorships can take a number of different forms but they generally consist of providing Navy MWR with financial assistance through funding, goods, equipment and services, or any combination thereof, by an individual, agency, association, company, corporation or other non-Federal entity (NFE) for a specific limited period of time in exchange for public recognition, promotional tie-ins and advertising opportunities of commensurate value. Through a commercial sponsorship program, MWR activities are able to offer additional, unbudgeted events or enhancements to previously scheduled MWR events that otherwise would not be possible. Reference (a) sets forth DoD policy for the military MWR Commercial Sponsorship Program.

b. Commercial sponsorship agreements may not include provisions that allow sponsors to directly solicit, conduct or negotiate sales or engaging in discussions regarding any terms or conditions regarding the purchase of products or services at MWR events and facilities. Such direct sales activity may not be included in a commercial sponsorship agreement. Any arrangement that authorizes the sale of items must be set out in

a concession contract even if the concession contractor is also a sponsor.

c. Commercial sponsorship agreements are not the proper contractual vehicle for providing access to or use of Navy installations or facilities and sponsorship agreements may not contain provisions related to such use or access. Further, they may not contain clauses which obligate the Navy to provide logistic support to the sponsor (other than access, use and logistic support directly related to the act of performing sponsorship activity). Real estate access and use licenses are the proper tools for granting non-federal entities access and use of Navy installations and facilities.

d. Commercial sponsorship does not include volunteer work or activities, or outright donations where no volunteer or donor recognition or acknowledgment is expected or required (see reference (b)).

e. Commercial sponsorship does not include or refer to those products and services considered to be gifts considered and processed by the Navy per reference (c) or those items considered to be premiums, coupons or limited samples through an authorized MWR marketing campaign.

#### 602. Authority to Conduct Commercial Sponsorship

a. Only Navy military MWR may enter into a commercial sponsorship agreement, accept commercial sponsor benefits or otherwise perform commercial sponsorship activity unless a specific exception or waiver is granted per reference (a), enclosure (11). Commercial sponsorships may be either unsolicited or solicited and all sponsorship solicitations shall be made by the region or installation MWR director or a designated MWR sponsorship coordinator. All aspects of the commercial sponsorship program shall be administered and conducted by the MWR activity's designated commercial sponsorship coordinator except where the MWR director has appointed others to solicit sponsorships on behalf of the MWR program.

b. Commercial sponsorships may not be solicited, accepted or performed in any way on government property by any official command or activity, civilian MWR activities, private organizations and non-federal entities to include, but not limited to, Navy Ball Committees, special interest clubs or associations, the Navy League, USO, etc. Commercial sponsorship

is not authorized for fundraising events or other events hosted by or for any of the above referenced entities while operating on Navy installations or property. Navy MWR may not partner, sell, lease, franchise or otherwise authorize others to perform any aspect of commercial sponsorship not authorized by this instruction.

c. Limited sponsor recognition in the following circumstances does not constitute commercial sponsorship and is permissible:

(1) Contracted Entertainment. Frequently, entertainment acts that are booked either by MWR or others to appear on an installation are financially supported by sponsors and have pre-existing contractual obligations that require the act to recognize their sponsors whenever and wherever they perform. The existence of these pre-existing and outside sponsor agreements serve to reduce the cost of booking the act and can benefit the MWR program. Sponsor recognition in these situations does not constitute a prohibited performance of commercial sponsorship by non-MWR entities and is permissible when it: (1) is passive in nature (limited to signage or print only and does not include sponsor-manned booths or personal or verbal interaction with those in attendance); (2) does not violate any existing Navy MWR or Navy Exchange (NEX) agreements; and, (3) is limited to the event venue.

(2) Sponsor Recognition During Authorized Use of Navy Facilities. Non-federal entities (to include private organizations), frequently use Navy facilities for private events for their members. Examples include such things as local Chambers of Commerce use of MWR facilities for meetings or the Navy League's use of golf facilities for private golf outings. Navy MWR can financially benefit from these transactions. Sponsor recognition in these situations does not constitute a prohibited performance of commercial sponsorship by non-MWR entities and is permissible when: (1) the event is intended for the members of the NFE or private organization and is not open for general attendance by authorized MWR patrons; and (2) all sponsorship recognition is passive in nature (limited to signage, print or podium recognition only) and is aimed only at event attendees and is limited to the event venue. It is both possible and permissible for the NFE or private organization to have individual members who are also authorized patrons of MWR. Their attendance at the event is considered to be as members of the NFE or private organization and has no effect on this rule.

(3) Public Affairs. Per reference (d), the naming of MWR sponsors as part of news broadcasts, newspaper articles, press releases and other public announcements regarding an event is not considered commercial sponsorship and is authorized. Commercial sponsors of Armed Forces Professional Entertainment program events and MWR events may be mentioned routinely with other pertinent facts in news stories and announcements in DoD newspapers and other news releases. Further, Armed Forces Radio and Television Service (AFRTS) outlets may mention the name of a commercial sponsor, along with other pertinent facts, in news stories and local announcements concerning sponsored MWR events and programs. Names of commercial products or companies while identifying prizes in MWR sponsored contests may also be mentioned in news stories.

#### 603. General Requirements

a. Obligations and entitlements of the sponsor and the MWR activity shall be incorporated into a written agreement for a period not to exceed one year. Agreements may contain up to four option periods but the options may not exceed a total of four years.

b. The level of sponsorship benefit (promotional and advertising value) provided to the sponsor by MWR shall be commensurate with the amount of financial benefit (either cash or in-kind) provided by the sponsor.

c. It is recommended that commercial sponsorship opportunities be coordinated with the NEX store manager at the installation where the sponsored event is being held to ensure such agreements do not violate existing contracts or other agreements between the NEX and its vendors.

d. Frequently, sponsors are also vendors or suppliers to MWR. No special concessions or favored treatment may be provided to such sponsors except as expressly provided for in the sponsorship agreement. Conversely, vendors and suppliers that elect not to enter into commercial sponsorship agreements will not be treated with disfavor or suffer any form of reprisal.

e. An appropriate disclaimer is required in all forms of printed promotional and advertising material of the sponsor and any form of public recognition provided by MWR. The following disclaimer is approved for use:

"The Department of the Navy does not endorse any company, sponsor or their products or services."

f. The obligations and entitlements of the sponsor and MWR shall be clearly stated in the body of the agreement with sufficient detail to adequately and clearly identify the parties' mutual obligations.

g. The sponsor shall certify in writing that its sponsorship costs will not be charged to any part of the Federal government.

h. Agreements involving television and radio broadcast rights to MWR events, and any broadcasted pre- or post-event publicity related thereto, may be authorized only after coordination with and following the approval of the command's Public Affairs Officer (PAO).

i. All commercial sponsorship agreements shall be reviewed for legal sufficiency and compliance with this instruction and its references prior to its signature by an Office of the General Counsel (OGC) attorney or a Judge Advocate General (JAG) attorney. A written record of the existence of the legal review must be maintained.

j. Authority to sign commercial sponsorship agreements is granted to region commanders (REGCOMs), regional N-9 managers, regional MWR directors and installation commanding officers (ICOs). Signature authority may be delegated in writing to installation level MWR directors, but no further. REGCOMs/ICOs may designate commercial sponsorship coordinators. All commercial sponsorship coordinators and their assistants must be formally appointed in writing by the region or installation MWR director before they can solicit or negotiate commercial sponsorship agreements. Irrespective of who signs a commercial sponsorship agreement, the MWR director is ultimately responsible for compliance with this instruction and for ensuring that all provisions of the agreement are carried out.

604. Off-Base Financial Institutions (Banks and Credit Unions). Per reference (e), Volume 5, paragraph 340404, off-base financial institutions are not permitted to directly compete with financial services offered by on-base banks or credit unions. However, as authorized by reference (a), enclosure (11), paragraph 1b(13), off-base financial institutions may serve as commercial sponsors for MWR events as long as

promotions are limited to product lines and services not offered by either on-base bank or credit union where the MWR event is being held. All promotional materials of the financial institution sponsor to be distributed under the agreement must be specifically identified and approved in the agreement before any of the materials may be displayed or distributed.

605. Sponsorship Agreements with Personal Financial, Insurance and Securities Providers. References (f) and (g) strictly control the sales solicitation by insurance companies and financial service providers aboard military installations. The providers of these services, however, may enter into MWR commercial sponsorship agreements provided the sponsor does not advertise any products or services that are offered by on-base financial institutions and that the commercial sponsorship agreement specifically lists all promotional activity that the sponsor will undertake and expressly states that no other sponsorship activity will take place beyond that which is identified in the agreement. Personal financial, insurance and securities sponsors may not obtain personal contact information from attendees at MWR events without the knowledge and written consent of the attendee.

606. OCONUS Commercial Sponsorships. All commercial sponsorship activity must comply with any applicable Status of Forces Agreement, treaty and local laws, including any requirements regarding the solicitation of U.S. and non-U.S. companies. OCONUS sponsorship agreements with other than U.S. manufacturers and dealers of vehicles are authorized; however, any publicity, display or sponsor recognition may not be for a period greater than 10 days.

607. Alcoholic Beverage Producers and Distributors. Sponsorship by producers and distributors of alcoholic beverages shall not be solicited. However, an unsolicited sponsorship offer may be considered. Any sponsorship agreement reached shall not be directed predominately or exclusively at the military, and a responsible use campaign and Surgeon General Warning shall be provided as part of any sponsorship agreement. Alcoholic beverage sampling is prohibited. In order to avoid the appearance of preferential treatment (see section 603(d)), it is recommended that alcohol vendor contracts be awarded prior to entering into a commercial sponsorship agreement with an alcoholic beverage producer or distributor.

608. Prohibited Types of Sponsorship Agreements. Commercial sponsorship agreements that promote any of the following products, services or entities are prohibited:

- a. Tobacco.
- b. Predatory loans including automobile title pawn, tax refund and pay day loans as well as rent-to-own furniture as described in reference (h). Questions regarding whether a proposed sponsorship agreement would violate this provision should be referred to an OGC or JAG attorney.
- c. Parties identified on the Excluded Parties List System ([www.eppls.gov](http://www.eppls.gov)) and barred from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits.
- d. Locations identified as off-limits to military personnel or any other entity that would reflect poorly or determined to be inconsistent with the values of DoD, DoN, the installation or Navy MWR.
- e. Religious, fraternal or political organizations. Any religious, ideological or partisan political party or movement desiring to promote a particular denomination, religious or political position, party or agenda.

609. Authorized Types of Sponsorship Benefits. The following are examples of the types of sponsorship benefits that can be offered to sponsors:

- a. Signage or banners (quantity, size, design, location and duration of display should be specifically addressed in the agreement).
- b. Posters for use in advance of performances or events.
- c. Seasonal signage (e.g. outfield billboards).
- d. The right to have the sponsor's logo or name on publicity materials, programs, tickets, etc. The commercial sponsorship agreement may authorize the sponsor to distribute printed programs at the performance or event. These programs may credit the commercial sponsor or its products or services. The sponsor may not sell space in such programs to other sponsors (a prohibited sub-sponsorship) but MWR may enter into

sponsorship agreements with additional sponsors in which they are given promotional consideration in the printed program.

e. Credits in news releases and radio announcements.

f. Verbal acknowledgment. If the acknowledgement is done verbally more than once at an event or the event is of moderate duration (such as a concert) there must also be a verbal disclaimer. If the event is a lengthy event (such as an air show) the disclaimer should be read once every two hours at a minimum.

g. Event tie-in with in-store product displays in cooperation with the NEX, Commissary, or MWR retail operations.

h. Product sampling (giveaway samples). Samples of a sponsor's products (except samples of alcoholic beverages and tobacco products).

i. Title recognition for individual act or segment of a show. The title of an individual act or segment in a show or event may identify the commercial sponsor, its products, or a service, as long as the title does not contain any reference to any part of DoD. For example, "Smith Bowling Corporation Presents John Doe and His Bowling Tricks" is permissible. However, the following are NOT PERMISSIBLE: "The Navy and Smith Bowling Corporation presents..." or "The Smith Bowling Corporation as the Official Navy Sponsor presents..."

j. Title naming rights for event. A sponsor is not entitled to have a Navy event named after the sponsor. It is not permissible to have "The Smith Bowling Corporation Air Show." However, it is permissible to have "NAS Flyover Air Show presented in part by Smith Bowling Corporation" or "NAS Flyover Air Show is sponsored by Lowland Corporation."

k. Miscellaneous advertising such as donated place mats, napkins, scorecards, and other similar items of nominal value that identify the commercial sponsor's name, products, or services. Disclaimers are not required.

l. Sponsorship of an individual youth or adult athletic team. Through an appropriate sponsorship agreement, a sponsor's name or logo may be displayed on T-shirts, hats, uniforms, etc. MWR must ensure that equipment and uniforms for all teams are of equal quantity and quality for all teams, regardless of whether or not all teams have sponsors or who the sponsor is. A



disclaimer must be either posted at the competition site or read to the audience at least once during any sporting event where such uniforms are worn.

m. Product displays are a permitted benefit that can be offered to a sponsor during an event or for the length of a particular program (such as a softball season). Appropriate disclaimers must be placed in proximity to the display.

n. Chalets or tents may be provided as a sponsor benefit under commercial sponsorship agreements only if the use of such chalets or tents is dedicated for the SOLE use of the purchasing commercial sponsor. The Navy cannot bargain for or accept any access to the sponsor's chalet or tent (or any of the accompanying benefits) under the commercial sponsorship agreement. Any invitations or arrangements for Navy employees or officials to visit a sponsor's chalet or tent and accept any benefits of attendance should be reviewed and coordinated by the employee's or official's command Ethics Advisor. All of the terms of use of the chalet or tent shall be spelled out in the sponsorship agreement.

o. Premium parking, seating or tickets to the event for which sponsorship is being provided may be included as a benefit to the sponsor. If these benefits are provided to a sponsor, the sponsorship agreement should provide that the sponsor will not sell or give them away to the public. Due to the military nature of the event, such an occurrence could create the erroneous impression that Navy MWR benefits are being sold or given away to the public.

609. Unauthorized Types of Sponsorship Benefits. Commercial sponsorships are just one of the many business agreements and contracts that MWR enters into on a recurring basis with vendors, suppliers and corporations. These are arm's length business transactions freely entered into by the sponsors in which the sponsor receives a bargained for benefit. Commercial sponsors are not making gifts to the Navy. Accordingly, NAF resources (including any funds or in-kind benefits received under a commercial sponsorship agreement) may not be used to fund or host 'sponsor appreciation' tents, areas or chalets at events. Sponsors may be personally and publicly thanked for their sponsorship support of MWR (and the event); their willingness to enter into a sponsorship agreement in which they receive valuable advertising and promotional benefits does not warrant the expenditure of valuable NAF resources to host receptions for them. It is permissible, however, to expend NAF

resources in support of reasonable efforts to secure these valuable business agreements. For example if MWR wanted to host an informational marketing meeting or program for the purpose of informing potential sponsors of future sponsorship opportunities, NAF resources could be used to provide normal and reasonable refreshments during such a meeting or program.

610. Solicitation of Sponsorship Agreements. In order to achieve the greatest financial return to the MWR program, there must be adequate competition between sponsors for the right to have their products and services promoted to MWR patrons. Instead of direct one-on-one contact with potential sponsors, MWR directors (with assistance and guidance from NAF contracting specialists) should develop formal solicitation procedures in order to reach a larger number of potential commercial sponsors.

a. Solicited commercial sponsorship shall be based on principles of full and open competition similar to those that guide NAF contracting. Announcements of solicitations may be placed in appropriate publications or web sites to reach the maximum number of potential sponsors (e.g., FedBizOpps.Gov ([www.fbo.gov](http://www.fbo.gov)) or may be mailed directly to potential sponsors. When direct mailing is used, care should be given to ensure the mailing list contains all local merchants of a similar type so as not to create any preferential treatment by denying the opportunity to compete for a commercial sponsorship. Assistance can be obtained from regional OGC attorneys and NAF warranted contracting officers. Officials who exercise contracting authority, however, shall not also solicit for commercial sponsorship. This is to prevent the appearance of undue influence that award of NAF contracts are linked to entering into commercial sponsorship agreements.

b. Sponsors shall be solicited competitively from an adequate number of known U.S. sources and generally will be limited to firms and organizations involved with consumer products and services.

611. Unsolicited Sponsorship. This type of sponsorship shall be treated the same as solicited commercial sponsorship, except that it is wholly and entirely initiated by the prospective sponsor without prior knowledge of the needs of the MWR program. After an appropriate inquiry from a prospective sponsor, the MWR sponsorship coordinator may inform the sponsor of the MWR program's needs and opportunities that may interest the would-be sponsor. Typically, following initial discussions concerning sponsorship opportunities, the unsolicited sponsor provides a letter or memorandum of intent to the MWR activity that will be

used in preparing a sponsorship agreement. Otherwise, unsolicited sponsorship is subject to the same guidance provided for solicited sponsorship.

612. Use of Commercial Sponsorship Proceeds. All funds, products and services secured through MWR commercial sponsorship constitute NAF resources and may only be used in support of the MWR program. Commercial sponsorship funds and support received explicitly for Warfighter and Family Services (WFS), when executed as a Category A MWR program, may be executed as NAF in support of the WFS program. Funds received as a result of commercial sponsorship may not be used to make up for shortages of command APF funding or to fund things that are properly funded by command mission funds.

613. Recordkeeping and Annual Reports. MWR activities shall maintain records to capture both the number and dollar value of all commercial sponsorship agreements entered into. Records shall include the sponsor's name, address, type of business, as well as the type and amount of consideration received by MWR from the sponsor. All commercial sponsorship agreements with alcoholic beverage producers, distributors or retailers must be clearly identified. This information will be collected annually from the regions and used by CNIC to provide required reports on the Navy's MWR commercial sponsorship program. Format for reporting this information is as follows:

COMMERCIAL SPONSORSHIP ANNUAL REPORT FOR FY ( ) [NAME OF REPORTING INSTALLATION OR REGION]					
NAME, ADDRESS TYPE OF BUSINESS OF SPONSOR	CASH	VALUE OF IN-KIND CONSIDERATION	DESCRIPTION OF IN-KIND CONSIDERATION	DISPOSITION OF CASH AND IN-KIND	TOTAL VALUE OF SPONSORSHIP

614. Advertising and Sponsorship Distinguished

a. Commercial sponsorship and advertising are closely related concepts and, in general terms, sponsorship is a form of marketing. For purposes of this instruction, the term advertising is limited to the purchase or sale of advertising space in a printed publication. All other forms of promotional benefit will be considered commercial sponsorship benefits and will be sold to commercial sponsors under commercial sponsorship

agreements and provided in accordance with the provisions governing commercial sponsorships.

615. Advertising of MWR Program and Events. Reference (a), enclosure (11), sets forth advertising policy for MWR programs. Navy MWR must communicate its presence and availability of services offered to as many potential MWR patrons as possible. MWR may purchase advertising to promote its events and programs, where authorized in Armed Forces newspapers and civilian enterprise (CE) publications produced primarily for distribution on a military reservation or to authorized MWR patrons. Advertising communications shall be directed primarily at authorized patrons for the event or service being promoted.

a. Information in MWR advertising typically includes information about sales of goods and services, including brand names and item prices for other than alcoholic beverages, including bar prices. Entertainment and social event advertising may specify names of feature acts, films, or talents, hours of operation, admission prices or cover charges, prizes to be awarded and name of commercial sponsors, if any.

b. Armed Forces installation newspapers and Armed Forces Radio and Television Service may carry unpaid non-commercial news stories, announcements, and listings of services offered by MWR to command or activity personnel. Names of MWR commercial sponsors and brand name of prizes to be awarded may also be reported.

c. MWR may produce or prepare media for local dissemination directly to authorized patrons. In cases where a publication is identified with a particular MWR activity or program (e.g. bowling center) and produced with either APF or NAF, it cannot contain commercial source product, and in the case of food, beverage and entertainment facilities, bar prices or other material that implies government endorsement of a specific commercial product or service. All media produced at the expense of a Category C activity will be mailed at the MWR activity's NAF expense. A bulk mail permit is recommended. Reference (i), enclosure (4), Table E4T1, provides further guidance and instruction.

d. Authority for distributing CE publications through official channels is limited to those newspapers and other publications authorized in reference (1). However, MWR newsletters or similar publications that contain commercial advertising, which are voluntarily initiated by a CE publisher

at no cost to the government or the NAFI can be made available to patrons if the following conditions are met:

(1) Navy MWR program and event information is released to the CE publisher after coordination with the PAO.

(2) A CE publisher prints the publication and provides copies at no cost to MWR.

(3) There is no contractual relationship that either requires or gives exclusive rights to the CE publisher to provide such a publication or that requires the Navy to furnish the information.

(4) The CE publisher delivers the publication to the MWR offices or facility involved, where it can be casually picked up by interested patrons.

(5) The CE publication contains a prominently displayed disclaimer indicating that the Navy does not endorse any services or products advertised in the publication.

(6) Other CE publishers desiring to provide the same service are given the same opportunity.

e. MWR may include a publication that carries commercial advertising as an authorized insert in the base newspaper, subject to review by the installation's PAO. MWR must not solicit or sell this advertising. The PAO must include provisions for such a publication in the formal letter of solicitation to private publishers for production of CE newspapers on base.

(1) Voluntarily initiated media prepared by suppliers and other non-DoD sources that are primarily advertising devices are not authorized for distribution through official channels.

(2) When such media are placed in locations on DoD installations for personal pick up, they must contain a disclaimer to the effect that they do not express or imply endorsement by the Navy or the Federal government, and they are neither paid for nor sponsored by them. A disclaimer is not required for items provided as premiums.

f. MWR may purchase, prepare and produce premiums for distribution to authorized patrons. A premium is merchandise offered as a bonus or as an incentive to advertise an MWR

product, service, program or event. Examples of premiums include ballpoint pens, plastic rulers, etc., with an intrinsic unit value of less than \$10 retail.

(1) MWR may also accept premiums, whose minimal intrinsic unit value is less than \$10 retail, voluntarily initiated and prepared by suppliers. Tobacco and alcohol premiums shall not be accepted for distribution.

(2) MWR may not solicit funds from suppliers or other non-Federal entities to offset the cost of premiums. Neither may MWR request suppliers or sources to prepare or provide special premiums at their expense unless provided for under a commercial sponsorship agreement or other written agreement.

g. MWR may use point of sale displays and promotional material, such as reduced price and special offer coupons, and may participate in national and local coupon redemption programs available to the public or to the military community. The MWR program manager should evaluate participation in national or local coupon redemption programs on a case-by-case basis.

h. MWR may contribute articles and stories for publication as unpaid information items in base newspapers, Plan of the Day, and other media that may or may not be intended primarily for distribution on a military installation to publicize MWR events and other activities and programs of general interest to authorized patrons. Coordination with the installation PAO and supporting legal counsel is required when such items are released to other than internal media.

i. MWR may use NAF to advertise MWR events in appropriate civilian (off-base) media when events are open to the public. Such events will be infrequent, not weekly or monthly, and will not directly compete with similar events offered in the local civilian community. The advertisement of resale merchandise or the sale of State tax-free tobacco products and beverages during these events, except for on-premise consumption, is prohibited.

616. Sale of Print Advertising by MWR. MWR may sell commercial advertising opportunities in print media produced for or prepared by MWR with NAF funding. The sale of commercial advertising opportunities in any form other than printed publications will be considered commercial sponsorship, will be executed under a commercial sponsorship agreement and will comply with provisions governing commercial sponsorship. For the sale of print advertising, the following limitations apply:

a. The advertising will not contain as a condition the exclusion of any other product, service or advertisement, or the granting of any additional benefit to a supplier.

b. Publication of paid advertising to MWR is bound by the same standards of propriety that apply to CE newspapers discussed in reference (d).

c. Advertising must include a disclaimer that it does not constitute an official endorsement. Due to the unique nature of electronic billboards, printed copies of the disclaimer are to be available should they be required.

d. Acceptance of paid commercial advertising is prohibited on AFRTS, local commander's channels, or any APF funded electronic media.

e. REGCOMs/ICOs shall decide the acceptability of advertising and must consider public perceptions, impact on the local economy, and the effect on local CE newspapers. This decision authority may be delegated in writing to the regional or installation N9 level.

f. Advertising in the installation's MWR, NAF-funded media is based on reaching bona fide users per established patronage policies.

g. The media are not distributed off the military installation.

h. The sale of print advertising must be accomplished under a written contract and reviewed by a regional OGC attorney.

i. Local accounting records are to be maintained to support advertising income and expenses.

j. Advertising purchased by suppliers or other non-DoD sources in media not prepared or produced by MWR that relate to MWR program activities must include a disclaimer similar to that described earlier in this chapter.

617. Civilian Enterprise Newspapers, Installation Guides, and QOL Guidebooks

a. Reference (d) contains DoD policy for CE newspapers and installation guidebooks. CE newspapers and installation guidebooks fall under the domain of the PAO and are intended to serve as a means to disseminate unofficial information about the local command and surrounding community.

b. CE newspapers and other similar PAO media are not intended to serve as a revenue generator for Navy MWR or other NAFIs.

c. MWR is not authorized to administer official newspapers, CE newspapers or installation APF-funded guidebook contracts (see reference (d), paragraph 6.2.3). However, MWR may produce NAF-funded unofficial guidebooks. Such guidebooks should contain information on local MWR programs, services and event and related FFR programs and services. The MWR guidebook may contain a brief history of the base and a listing of important phone numbers. It should not contain a detailed history of the base, tenant commands or a base-wide phone directory.

d. Reference (a), enclosure (12), authorizes military MWR activities to sell advertising to civilian businesses for inclusion in MWR media, to defray development, printing, distribution and overhead costs associated with the product. MWR should not compete for the same advertisers as those of the local CE newspaper or installation guidebook.

618. Commercial Billboards. Construction or display of commercial billboards or similar signs promoting private, commercial or political interests on Navy-controlled property is prohibited (see reference (k), par. 9c(9)).

619. MWR's Role in Community Relations Events Community relations (COMREL) events such as public visitations (open houses), air shows, festivals or concerts open to the general public are public affairs events. The Navy Chief of Information (CHINFO) and public affairs officer are responsible for executing COMREL events in compliance with the provisions of references (l) and (m). MWR does not fund or manage COMREL events. MWR's role, if any, is limited to executing the MWR mission at the event by providing the food, beverage, and entertainment portions of the event.

a. MWR NAFs may be used for all expenses that directly support the execution of the MWR mission at the COMREL event but may not be used to pay for expenses that are properly funded by APF, nor may they be used to augment a shortfall in APF funding.



The following expenses are examples of expenses properly funded with NAF:

(1) Civilian performers or entertainment acts (as compared to military performers such as the Blue Angels or the Navy Band);

(2) Static displays of vintage aircraft or equipment when the purpose of the display is for predominantly entertainment purposes. Displays of equipment that is predominantly for educational, historic, patriotic or public affairs purposes must be funded with APF. Consult your regional OGC attorney for assistance with this determination;

(3) Bleacher or chair rental, provided the rental cost is recovered from appropriate patron charges for the service;

(4) Inclement weather insurance but only for MWR portion of the event;

(5) Payment to volunteer organizations (e.g., Spouse's Club) for labor provided in support of concession operations (volunteer organization members are not volunteers to MWR and as such are not subject to the volunteer restrictions or protections);

(6) Cost of producing souvenir programs and posters sold to event attendees and any poster that contains commercial sponsors' names or logos;

(7) Food, beverage and novelty concession expenses;

(8) Commercially contracted professional announcers may be used and paid with NAF when the event includes entertainment acts since the announcer is considered a performer. When NAF funded professional announcers are contracted for they may also announce military acts and provide public address support to the COMREL event. Government employees performing this duty will not be compensated with NAF. When there is no need for a NAF funded professional announcer, all public affairs announcements regarding the COMREL aspects of the event are the responsibility of PAO and are properly an APF expense.

(9) Advertizing, marketing and publicity expenses for the COMREL event, excluding any cost normally associated with public affairs' efforts, to inform the local public about the event. This promotion is necessary in order to enhance the value of commercial sponsorships and to support MWR vending

operations. Accordingly, the MWR marketing should emphasize the MWR provided portions of the event. Advertising may be purchased or procured with in-kind sponsorship for the event

620. Use of NAF in Connection with COMREL Events. NAF resources, including any funds or in-kind support received under a commercial sponsorship agreement **may not** be used for the following items:

a. To provide free VIP seating or food and beverage for military, state or local officials, or other dignitaries  
Portable toilets for general public use.

b. Portable toilet facilities may be provided as part of a chalet/tent made available for the private use of a commercial sponsor under a commercial sponsorship agreement. They may also be included as a benefit provided entertainers in an entertainment contract. They must be placed within the spaces provided for the chalets or venue and not accessible by the general public.

c. NAF may not be used to pay the costs of socials, hospitality tents, chalets or parties for VIPs, commanding officers, military members or civilian employees.

d. Base operating support (BOS) costs including maintenance, grounds preparation (including 'foreign object damage' control, vehicle fuel costs, security and crowd control or other non-recreational costs associated with a COMREL event;

e. Any costs associated with military static displays such as transportation, fuel, security, and lodging or rental car costs for military personnel; and

f. Any cost that are properly paid with APF as either a public affairs cost or BOS cost.

621. Charging Attendees for Access, Products and Services

a. No charges or fees will be imposed on the general public for admission or parking.

b. Attendees will not be charged for taking pictures of themselves in or near DoD aircraft or equipment including flight suits, helmets or other military uniforms or paraphernalia.

c. Charges for shuttle service offered between remote parking facilities to the primary COMREL event area are permitted but may not exceed an amount necessary to recover all associated expenses of providing the service.

d. Donation buckets may not be passed around the crowd or placed in fixed locations to have members of the visiting public make donations to support the COMREL event.

e. If souvenir open house programs are sold under the auspices of MWR, then a official complimentary schedule of events produced with APF must be available upon request.

f. Given the objectives of COMREL activities, , such as air shows, owner/operators of vintage aircraft whose planes are displayed on board the installation may not charge admission to enter the aircraft. Donations for tours of the aircraft or donations to the sponsoring organization may be accepted.

g. Charging for premium seating is permitted when it is offered on a first-come basis. Only a relatively small portion of the overall available seating may be sold as premium seating; the vast majority of seating must be available at no cost to attendees.

h. The renting of chalets by MWR is authorized. Chalets may be rented separately or included as part of a sponsorship agreement.

i. Only MWR can rent chalets. Chalet renters (which may include commercial sponsors) may restrict who they allow as guests into their chalet. However, a chalet renter may not sell the rights to their chalet to a third party nor may they charge admission to the chalet. They may be permitted to charge for food, beverages or souvenirs that are furnished by the commercial sponsor but not for anything which is supplied by MWR or an MWR contractor as part of the rental agreement or other commercial sponsorship agreement.

j. Signs used to identify chalets should not be any larger than necessary to identify the chalet to its occupants.

k. Chalets may be located on the flight-line, but not at the center of the flight-line.

#### 622. Insurance in Connection with COMREL Events

a. MWR NAFs shall not be used to purchase personal injury liability or property damage insurance if the COMREL event is conducted in CONUS, Alaska, Hawaii, or any territory covered by the Federal Tort Claims Act (FTCA).

b. Overseas commands must consult with regional OGC and JAG attorneys to determine if there are any local requirements for insurance that covers personal property damage, real estate, or personal injury liability. MWR NAFs may not be used to pay for any locally required and procured insurance.

c. A COMREL activity consisting of "fly-bys" is not an MWR NAF function; it is an APF event. Mishaps arising from an APF event are covered by the Federal Tort Claims Act and any resulting liability settlements or judgments are paid with APF, not NAF.

d. Contractors who provide entertainment acts/equipment must have liability insurance when they perform aboard a naval installation. Coverage must be in amounts acceptable to the contracting officer. Acts that involve potentially higher level of risk such as air show performers must have at least \$500,000 per person, \$1,000,000 per occurrence, and \$100,000 property damage Comprehensive General Liability insurance. The appropriate installation or regional MWR organization and the U.S. Navy must be identified on all policies as named insured parties.