



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

20 JAN 2011

MEMORANDUM FOR HQ ACC/SV HQ AETC/SV HQ AFMC/SV HQ AFRC/SV
HQ AMC/SV HQ PACAF/SV HQ USAFE/SV 16 SVS/SV
11 MSG/SV 10 SVS/SV HQ AFSPC/SV HQ ANG/SVX

FROM: HQ USAF/ILV
1770 Air Force Pentagon
Washington, DC 20330-1770


SUBJECT: Clarification of Annual Review Requirement for Private Organizations (POs)

AFI 34-223, *Private Organization (PO) Program*, para 8.1, requires the Resource Management Flight Chief to review each PO “annually as of the close of the PO’s fiscal year.” “Annually” means that no more than 12 months should elapse between successive reviews of any single PO. The “as of” requirement does not specify *when* the reviews must be conducted, but rather *what financial data* should be included in the review. Whether the reviews are all conducted in the same month or spread throughout the year, the year-end financial results from the PO’s most recent fiscal year should be used in that review. Do not require the PO to change its fiscal year or reconstruct its books to coincide with the timing of the annual review.

The purpose of the review is to determine whether the PO is still being operated in a manner consistent with the commander’s original approval, whether all required documents are available and current, and whether all other requirements in AFI 34-223 and the PO Guide continue to be met. For example, the review should ensure that any required audits or financial reviews have been conducted (para 10.7). In addition, it should ensure that sufficient liability insurance remains in effect or, if a waiver has been granted, that the PO’s operation still warrants the insurance waiver (para 10.11).

Some units have misinterpreted these AFI provisions as requiring annual action by the installation commander (or mission support group commander, if delegated) to recertify the PO or reapprove the insurance waiver. That goes beyond the intent of the policy. It is important for the Resource Management Flight Chief, on behalf of the commander, to make sure that the PO continues to operate within approved limits. However, the situation only needs to be elevated to the commander on an exception basis: for example, if any changes in a PO’s operation or activities warrant having the commander withdraw permission to operate on base, rescind the waiver and require insurance coverage, or take other action.

We will clarify these issues in the next change to AFI 34-223. If you have any questions, please do not hesitate to contact Major Brian Eddy, DSN 664-4932.


ARTHUR J. MYERS
Director of Services
DCS/Installations & Logistics