

## **BACKGROUND PAPER COINS PURCHASED WITH OFFICIAL FUNDS**

The use of coins remains a common means of recognition of achievement across the Air Force (AF). There are limits on the purchasing and distribution of coins. For example, most coins purchased AF-wide are bought with appropriated funds (APF); they cannot be given to anyone for any purpose. The source of funds used to purchase the particular coin defines how that coin may be used and limits those to whom it may be presented. All personnel who procure, manage and/or distribute coins purchased with official funds need a working understanding of coin “rules” so as to assure compliance with fiscal, recordkeeping, and other requirements.

**Each proposed presentation of a coin purchased with official funds must be assessed by examining three key factors: purpose, funding, recipient. For ease of analysis this paper focuses on funding sources – appropriated funds (O&M), official representation funds (ORF), non-appropriated special morale and welfare funds (SM&W) or the “O.W.N.” account.**

### **APPROPRIATED FUNDS [APF] (O&M)**

- Before leaders can reward or recognize outstanding duty performance / mission contributions with coins purchased with APF, they must first publish a 36-series AFI or appropriate supplement outlining the organization’s recognition program. AFI 65-601, Vol 1, para 4.31.2. The general authority to establish recognition programs (AFI 36-2805, para 1.4.4) is not alone adequate support for these purchases – a 36-series AFI or supplement establishing the particular recognition coin program is needed.
- These one-time unique awards (coin) may be given to a person or unit whose achievements make a significant contribution to the effectiveness and efficiency of the AF. AFI 36-2805, para 1.4.4.
- There are limits on who can receive O&M funded coins / what these coins can be used for:
  - Mission accomplishment coins may be given for reenlistment or retirement.
  - APF-funded organizational coins may be awarded to civilian employees and should be annotated in the employee’s personnel folder.
  - Coins purchased with APF cannot be presented as personal gifts, tokens of appreciation, recognition of the contribution of unaffiliated parties, “morale builders” (awards unrelated to special achievements) unless specifically provided by regulation. See AFI 65-601, para 4.31.3. This same restriction applies to commemorative coins. Appropriated funds are not available to purchase commemorative coins. AFI 65-601, para 4.31.2. Also, APF-funded coins are not intended as “tips” to non-DOD personnel.
  - APF-funded coins are NOT intended for non-DOD personnel, foreign personnel, contractors, etc. They should not be given to non-appropriated fund employees or volunteers.
- The SECAF, USECAF, CSAF, CV, CVA, and CMSAF may present APF-funded performance recognition coins for outstanding contributions or services rendered in furtherance of the AF mission, subject to the same limits on who can receive the coins. HOI 36-15 governs this program. SAF/AA approves funding for these special coins.

### **OFFICIAL REPRESENTATION FUNDS [ORF]**

- Coins that are to be used strictly as official courtesy gifts must be procured with ORF funds.
- ORF-funded coins may be presented to a limited group of individuals (normally distinguished visitors). See AFI 65-603, para 4.
  - ORF-funded coins are a way to recognize distinguished U.S. (including a small group of DOD leaders) and foreign personnel in a manner that upholds the standing and prestige of the AF.
  - Coins purchased with ORF may only be given to hosted official guests; they cannot be given to U.S. military members or DOD civilian employees.

- Recordkeeping: Coins issued from ORF inventories must be identified by presentation date, location/event, recipient's name, grade/title and official position. AFI 65-603, para 10.4.4.

### **NON-APPROPRIATED FUNDS [NAF] (SPECIAL MORALE & WELFARE [SM&W] FUNDS)**

- Coins that are to be used strictly as gifts must be procured using SM&W (or ORF as appropriate).
- SM&W funds may be used to purchase commanders' coins when appropriated funds are not authorized for the purchase and the circumstances fall within the parameters of AFI 34-201, *Use of Nonappropriated Funds*.
  - NAFs may not be used to supplement awards programs supported by appropriated funds.
- Coins purchased with SM&W funds may be presented to a limited group of individuals (normally distinguished visitors), and their usage must be tracked and controlled. See AFI 34-201.

### **"O.W.N." ACCOUNT**

- Funding limitations do not apply when individuals use their own personal ("O.W.N. account") funds to purchase coins – the same goes for who can be given a coin purchased with personal funds -- pretty much unlimited.
- However, those responsible for "coin management" do need to be careful about augmentation of funds – using a personally funded coin when a coin purchased with official funds should be used.

### **"NEED TO KNOW" – BUYING AND USING COINS PURCHASED WITH OFFICIAL FUNDS**

- **Quantities Purchased Must Be Limited ["Bona Fide Needs" Rule]** – Absent genuine lead time issues, purchasers should buy only the quantity of coins that will be needed in the current fiscal year (FY). Personnel cannot buy a large quantity of coins (say with year-end funds) which will not be needed until well into the next FY.
- **Follow Purchase Requirements** – Depending on the quantity and amount involved, AF simplified acquisition procedures may be required for coin purchases, including consideration of small business set-aside and competition requirements.
- **Personalization Generally Prohibited** – "Personalized" means adding the presenter's name or signature. Unless within the exception below or purchased with "O.W.N." funds, organizational coins paid for with official funds should not be personalized. Organizational coins may include only the organization's name and position of presenter (e.g. Commander 333FW Luke AFB, AZ).
  - **Exception:** SECAF, CSAF, CMSAF, four (4) star general officers and four (4) star civilian equivalents may personalize coins. AFI 65-601, Vol 1, para 4.31.2.
- **Recordkeeping Encouraged**– Regardless of the type of official funds used to buy coins, it is a good idea to keep track (by funding source) of the "who, where, when and why" of coin presentations / uses – helps in case of audit, to justify future purchases and to avoid intermingling of differently funded coins.
- **Other Limitations on Uses**
  - Coins purchased with official funds cannot be used for resale.
  - Organizational coins may not be awarded to contractor personnel regardless of the source of official funding.
  - Coins purchased with official funds are not intended as "trading material."