

6 FAM 560 UNCHARTERED GROUPS

(CT:GS-156; 12-27-2007)
(Office of Origin: A/OPR/CR)

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(Uniform State/USAID/Commerce/Agriculture)

- a. Except as provided in paragraphs d, e, and f of this section, groups not chartered under 6 FAM 500 have no legal or regulatory basis for operating on U.S. Government premises or for receiving post logistical support. Posts providing space and other forms of logistical support do so placing the U.S. Government and individual members personally at risk when groups are not appropriately insured, have no formal means of accounting for funds collected and expended, and lack internal controls. In the absence of an approved employee association charter, no association will be authorized to operate on U.S. Government-owned or -leased property and/or under U.S. auspices. Without a charter, associations may not import duty-free goods under the name of the principal officer or receive support (e.g., space, utilities, property, etc.) from the post.
- b. In instances where the existence of an unchartered group has been identified, post has one of two recourses. The unchartered group must either disband or fold into the existing employee association at post. In the absence of an existing employee association at post, an employee association may be established under 6 FAM 500 requirements.
- c. Unchartered groups electing to fold into an existing employee association must contact the Office of Commissary and Recreation Affairs (A/OPR/CR) for assistance and guidance to ensure that all 6 FAM 500 requirements are met.
- d. Unchartered groups whose activities support local charities and/or the community liaison office (CLO) may continue to earmark revenue for these purposes. Such revenue will not be subject to the annual assessment levied on employee association revenue provided that:
 - (1) Revenue is specifically earned and subsequently expended for these

purposes; and

- (2) Revenue is fully disclosed on the employee association's financial statements at the time revenue is earned, held and fully expended.
- e. Groups (e.g., bridge clubs, hobby groups, etc.) that are not performing core employee association functions, that do not raise funds, do not enter into contracts, and do not receive significant logistical support from the U.S. Government, do not contradict the intent of 6 FAM 500 regulations and may continue to function. For this purpose occasional or periodic use of post space would not constitute significant logistical support which the provision of a dedicated space would.
 - f. Groups whose members are not U.S. Government direct-hire or personal services contract (PSC) employees may be provided space and be permitted to operate on U.S. Government premises to the extent deemed appropriate by post management. Any identifiable expenditures by the U.S. Government on behalf of such organizations must be justified under the employee morale and welfare principles as outlined by the General Accountability Office (GAO), Principles of Federal Appropriations Law (3d ed. 2004) at pages 4-103 to 4-105. These groups may not perform functions that are typical of chartered employee associations. The Principles of Federal Appropriations Law (3d ed. 2004) states that "an agency has reasonable discretion to spend its money for employee welfare purposes if the expenditure can be said to enhance employee morale and to be a significant factor in hiring and retention. The test remains one of necessity, but it is evaluated in terms of the agency's legitimate interest in the welfare, morale, and productivity of its employees." The "necessary expense" doctrine states that "for an expenditure to be justified ... it must bear a logical relationship to the appropriation sought to be charted ..., it must not be prohibited by law, [and it] must not be otherwise provided for, that is, it must not be an item that falls within the scope of some other appropriation or statutory funding scheme."

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