

**BY ORDER OF THE SECRETARY
OF THE AIR FORCE**

AIR FORCE POLICY DIRECTIVE 34-3

27 JULY 2022



Services

**NONAPPROPRIATED FUNDS
PERSONNEL MANAGEMENT AND
ADMINISTRATION**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This policy directive implements Department of Defense (DoD) Directive 1400.5, *DoD Policy for Civilian Personnel*, DoD Directive 1401.03, *DoD Nonappropriated Fund Instrumentality (NAFI) Employee Whistleblower Protection*, DoD Directive 1440.1, *DoD Civilian Equal Employment Opportunity (EEO) Program*, DoD Directive 1020.02E, *Diversity Management and Equal Opportunity in the DoD*, Department of Defense Instruction 1400.25, *DoD Civilian Personnel Management System*, DoD Instruction 1400.25, Volume 1401, *DoD Civilian Personnel Management System: General Information Concerning Nonappropriated Fund (NAF) Personnel Policy*, DoD Instruction 1400.25, Volume 1403, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment*, DoD Instruction 1400.25, Volume 1404, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program*, DoD Instruction 1400.25, Volume 1405, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Pay, Awards, and Allowances*, DoD Instruction 1400.25, Volume 1406, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Attendance and Leave*, DoD Instruction 1400.25, Volume 1407, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Classification*, DoD Instruction 1400.25, Volume 1408, *Insurance and Annuities for Nonappropriated Fund Employees*, DoD Instruction 1400.25, Volume 1412, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Overseas Allowances and Differentials, and Employment in Foreign Areas*, DoD Instruction 1400.25, Volume 1417, *DoD Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions*, DoD Instruction 1400.25, Volume 1471, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Labor-Management and Employee Relations*, DoD Instruction 1402.05, *Background Checks on Individuals in DoD Child Care Services Program*, DoDI 1438.06, *DoD Workplace*

Violence Prevention and Response Policy, and DoD Instruction 5120.39, *DoD Wage Fixing Authority – Appropriated Fund and Nonappropriated Fund Compensation Programs*. It outlines responsibilities and program requirements for nonappropriated fund personnel management and administration. This directive applies to the Regular Air Force, the Air Force Reserve, and the Air National Guard. This directive does not apply to the United States Space Force, as the United States Air Force administers all nonappropriated fund instrumentalities on USSF installations. In collaboration with the Chief of Air Force Reserve (AF/RE) and the Director of the Air National Guard (NGB/CF), the Deputy Chief of Staff for Manpower, Personnel, and Services (AF/A1) develops personnel policy for Nonappropriated Funds Personnel Management and Administration policy. This publication may not be supplemented. Ensure all records generated as a result of processes prescribed in this publication adhere to Air Force Instruction 33-322, *Records Management and Information Governance Program*, and are disposed in accordance with the Air Force Records Disposition Schedule, which is located in the Air Force Records Information Management System.

SUMMARY OF CHANGES

This rewrite updates all references and policy from implementing Department of Defense (DoD) directives and instructions.

1. Overview. The Department of the Air Force must administer and manage cost-effective, comprehensive personnel programs that assure fair and equitable treatment for all of its employees. This directive establishes policies for the efficient and effective management of the Department of the Air Force Nonappropriated Fund Personnel Program.

2. Policy. Nonappropriated funds positions are established and utilized to provide care solutions that enhance Air and Space Force missions and to ensure the most cost-effective use of labor to maximize return on investment. Nonappropriated personnel often work in retail and other customer service-oriented positions. Compared to appropriated fund pay system, the nonappropriated fund pay system accommodates more part-time, seasonal and other flexible scheduling and pay structures, in light of its non-traditional government mission.

2.1. The Department of the Air Force will ensure that sufficient qualified employees are available to meet worldwide management needs according to DoD Directive 1400.5, *DoD Policy for Civilian Personnel*, DoD Instruction 1400.25, Volume 1401, *DoD Civilian Personnel Management System: General Information Concerning Nonappropriated Fund (NAF) Personnel Policy*, DoD Instruction 1400.25, Volume 1403, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment*, and DoD Instruction 1400.25, Volume 1412, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Overseas Allowances and Differentials, and Employment in Foreign Areas*.

2.2. Nonappropriated funds pay schedules will be operated according to DoD Instruction 1400.25, Volume 1405, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Pay, Awards, and Allowances*, DoD Instruction 1400.25, Volume 1407, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Classification*, and DoD Instruction 5120.39, *DoD Wage Fixing Authority-Appropriated Fund and Nonappropriated Fund Compensation Programs*.

2.3. In accordance with DoD Directive 1440.1, *DoD Civilian Equal Opportunity (EEO) Program*, and DoD Directive 1020.02E, *Diversity Management and Equal Opportunity in the DoD*, the Department of the Air Force will administer the Nonappropriated Fund Personnel Program without any unlawful discrimination because of race, color, religion, sex (including equal pay, pregnancy, sexual orientation, and gender identity), national origin, age (40 or older), disability, genetic information, retaliation or prior Equal Employment Opportunity activity.

2.4. Consistent with similar programs offered to employees of the DoD and certain employees in the private sector, the Department of the Air Force will operate a nonappropriated funds employee benefits and entitlement program in accordance with DoD Instruction 1400.25, Volume 1408, *Insurance and Annuities for Nonappropriated Fund Employees*.

2.5. The Department of the Air Force will operate a nonappropriated funds performance appraisal system to serve as the basis for adjusting pay and business-based actions in accordance with DoD Instruction 1400.25, Volume 1404, *Nonappropriated Fund (NAF) Performance Management Program*.

2.6. The Department of the Air Force will provide employee whistleblower protection in accordance with DoD Directive 1401.03, *DoD Nonappropriated Fund Instrumentality (NAFI) Employee Whistleblower Protection*.

3. Roles and Responsibilities.

3.1. The Assistant Secretary of the Air Force for Manpower and Reserve Affairs (SAF/MR) is responsible for Department of the Air Force Services and Morale, Welfare and Recreation programs policy, per HAFMD 1-24, *Assistant Secretary of the Air Force for Manpower and Reserve Affairs*, paragraph 3.2.5. This responsibility includes oversight over the management and administration of nonappropriated fund civilian personnel systems, per paragraph A1.190. Pursuant to Department of the Air Force Policy Directive 90-1, *Policy, Publications and DoD Issuance Management*, paragraph 3.1.4..

3.2. The Deputy Chief of Staff, Manpower, Personnel and Services (AF/A1) develops personnel policies, guidance, programs, and legislative initiatives pertaining to Nonappropriated Fund programs.

FRANK KENDALL
Secretary of the Air Force

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

DoDD 1020.02E, *Diversity Management and Equal Opportunity in the DoD*, 8 June 2015

DoDI 1400.25, *DoD Civilian Personnel Management System*, 1 December 1996

DoDI 1400.25, Volume 1401, *DoD Civilian Personnel Management System: General Information Concerning Nonappropriated Fund (NAF) Personnel Policy*, 18 October 2011

DoDI 1400.25, Volume 1403, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment*, 20 March 2015

DoDI 1400.25, Volume 1404, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program*, 26 June 2014

DoDI 1400.25, Volume 1405, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Pay, Awards, and Allowances*, 26 June 2014

DoDI 1400.25, Volume 1406, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Attendance and Leave*, 20 March 2015

DoDI 1400.25, Volume 1407, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Classification*, 6 January 2012

DoDI 1400.25, Volume 1408, *Insurance and Annuities for Nonappropriated Fund Employees*, 28 August 2020

DoDI 1400.25, Volume 1412, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Overseas Allowances and Differentials, and Employment in Foreign Areas*, 20 July 2012

DoDI 1400.25, Volume 1417, *DoD Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions*, 19 June 2015

DoDI 1400.25, Volume 1471, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Labor-Management and Employee Relations*, 27 March 2014

DoDD 1400.5, *DoD Policy for Civilian Personnel*, 12 January 2005

DoDD 1401.03, *DoD Nonappropriated Fund Instrumentality (NAFI) Employee Whistleblower Protection*, 13 June 2014

DoDI 1402.05, *Background Checks on Individuals in DoD Child Care Services Programs*, 11 September 2015

DoDI 1438.06, *DoD Workplace Violence Prevention and Response Policy*, 16 January 2014

DoDD 1440.1, *DoD Civilian Equal Opportunity (EEO) Program*, 21 May 1987

DoDI 5120.39, *DoD Wage Fixing Authority-Appropriated Fund and Nonappropriated Fund Compensation Programs*, 1 October 2015

AFI 33-322, *Records Management and Information Governance Program*, 23 March 2020

DAFPD 90-1, *Policy, Publications and DoD Issuance Management*, 7 March 2018

HAFMD 1-24, *Assistant Secretary of the Air Force (Manpower and Reserve Affairs)*, 28 January 2019

HAFMD 1-32, *Special Management*, 13 September 2019

Abbreviations and Acronyms

AF/A1—Deputy Chief of Staff of the Air Force, Manpower, Personnel and Services

AF/RE—Chief of Air Force Reserve

CTP—Civilian Transition Program

DoD—Department of Defense

EEO—Equal Employment Opportunity

HAFMD—Headquarters Mission Directive

NAF—Nonappropriated Fund

NAFI—Nonappropriated Fund Instrumentality

NGB/CF—Director of the Air National Guard

SAF/MR—Assistant Secretary of the Air Force for Manpower and Reserve Affairs

USSF—United States Space Force