AR 210-135
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Army Regulation 210–135

Installations

Banks and Credit Unions on Army Installations

AUG 1 1 1992

Headquarters
Department of the Army
Washington, DC
1 June 1988

SUMMARY of CHANGE

AR 210-135
Banks and Credit Unions
on Army Installations

This consolidation of AR 210-24 and AR 210-135--

- o Establishes the military locator service with EREC instead of USAFAC Centralized Pay Operations (chap 2).
- o Simplifies ATM approval and authority and lease procedures (chap 2).
- o Simplifies construction procedures (chap 2).
- o Clarifies operating agreements and liaison officer duties (chaps 2 and 4).
- o Changes 95 percent rule for credit unions (chap 4).

Headquarters
Department of the Army
Washington, DC

*Army Regulation 210–135

Effective 1 July 1988

Installations

Banks and Credit Unions on Army Installations

This UPDATE printing publishes a revision that is effective 1 July 1988. Because the structure of the entire revised text has been reorganized, no attempt has been made to highlight changes from the earlier regulations.

By Order of the Secretary of the Army:

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General, United States Army
Chief of Staff

Official:

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Administrative Assistant to the Secretary of the Army

Summary. This regulation governs the establishment, operation, and termination of financial institutions operating on Army installations. It implements DOD Directive 1000.11, DOD Instruction 1000.10, and DOD Instruction 1000.12.

Applicability. This regulation applies to the Active Army, Army National Guard, (ARNG), and U.S. Army Reserve (USAR). Its provisions also pertain to all financial institutions operating on Army installations.

Impact on New Manning System. This regulation does not contain information that affects the New Manning System.

Internal control systems. This regulation is subject to the requirements of AR 11–2. It contains internal control provisions but does not contain a checklist for conducting an internal review. A checklist is published in DA Cir 11–86–2.

Supplementation. Supplementation of this regulation and establishment of command or local forms are prohibited unless prior approval is obtained from the Director of Finance and Accounting, Office, Assistant Secretary of the Army (Financial Management) (OASA (FM)), ATTN: SAFM–FAP–B, Indianapolis, IN 46249–1016.

Interim changes. Interim changes to this regulation are not official unless they are authenticated by the Administrative Assistant to the Secretary of the Army. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

Suggested improvements. The proponent agency of this regulation is the Office of the Assistant Secretary of the Army for Financial Management (OASA (FM)). Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Director of Finance and Accounting, OASA (FM), ATTN: SAFM–FAP–B, Indianapolis, IN 46249–1016.

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*This regulation supersedes AR 210–135, 1 July 1983, and AR 210–24, 1 December 1982.

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Chapter 1
Introduction

1–1. Purpose

a. This regulation prescribes policies and procedures governing the establishment, support, operation, and termination of banks, credit unions, and savings and loan associations operating on Army installations worldwide, and their relationship with military banking facilities (MBFs).

b. Duly chartered financial institutions may be authorized to provide services, where demonstrated and justified needs exist, to facilitate the administration of public and quasipublic moneys. These institutions will be recognized and assisted at all levels because of their contribution to the morale and welfare of Army personnel.

1–2. References

Required and related publications are listed in appendix A.

1–3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are explained in the glossary.

1–4. Responsibilities

a. The Assistant Secretary of Defense (Comptroller) (ASD (C)) or the Deputy Assistant Secretary of Defense (Management Systems) (MS)), acting as designee, will—

(1) Coordinate the Department of Defense (DOD) domestic and overseas banking programs and the DOD credit union program, consulting on aspects that pertain to the morale and welfare of DOD personnel, with the Assistant Secretary of Defense (Force Management and Personnel) (ASD (FM&P)).

(2) Authorize, in coordination with affected DOD components, the specific types of banking services that will be provided by overseas banking facilities, and specify the charges or fees (or the basis for them) to be levied on users of these services.

(3) Coordinate with the Fiscal Assistant Secretary of the Treasury on the designation of domestic and overseas banking facilities as depositaries and financial agents of the U.S. Government.

(4) Maintain liaison, as necessary, with Federal and equivalent State bank regulatory agencies and the National Credit Union Administration (NCUA).

(5) Designate a technical representative to provide policy direction for the procuring and administrative contracting officers responsible under the Federal Acquisition Regulations (FARs) for acquiring banking services required at overseas DOD installations.

(6) Serve as principal liaison with banking institutions having offices on overseas DOD installations. In this capacity, the ASD(C) or the DASD(MS) will monitor banking facility managerial and operational policies, procedures, and operating results and take action as appropriate.

(7) Coordinate on DOD component actions that propose a banking institution's or credit union's removal for cause from an installation before final decision and referral to the appropriate regulatory agency.

(8) Negotiate, as necessary, Government-to-Government agreements for the provision of financial services on overseas DOD installations.

b. The Assistant Secretary of Defense (Acquisition and Logistics) (ASD (A&L)) will develop and monitor policies and procedures governing logistic support furnished to financial institutions, including the use of DOD real property and equipment.

c. The Assistant Secretary of Defense (Force Management and Personnel) will advise the Assistant Secretary of Defense (Comptroller) on all aspects of on-post financial institution services that affect the morale and welfare of DOD personnel.

d. The Assistant Secretary of the Army (Financial Management) (ASA) (FM)) has Department of the Army (DA) Staff responsibility for financial institutions on Army installations. The ASA (FM) will—

(1) Supervise the Army banking/credit union program under the guidelines provided in this regulation.

(2) Represent DA in banking/credit union matters with other military departments; the Secretary of Defense; the Secretary of the Army; the Department of the Treasury; Federal and State regulatory agencies; financial institution trade associations, leagues, and councils; banking institutions; and credit unions.

(3) Maintain a current list of all financial institutions serving DA.

(4) Encourage financial institutions to provide full financial services on installations where a need exists.

(5) Examine practices and procedures of financial institutions to ensure that the welfare and interests of DA personnel are protected.

(6) Ensure that recommendations of unified commands are considered before processing requests for overseas financial services and acting on policy matters.

(7) Review and recommend proposals to establish or terminate financial institutions on Army installations. Notify the selected institutions and regulatory agencies of approvals so that operating authority may be given or taken away.

(8) Determine whether an existing MBF may be converted to an independent or branch bank or savings and loan.

(9) Serve as principal liaison with financial institutions operating offices on domestic Army installations.

(10) Provide debt processing assistance to on-post financial institutions per the Privacy Act guidelines provided in appendix B.

(11) Supervise and encourage the use of financial institutions on DOD installations as a means to—

(a) Facilitate convenient, effective management of the appropriated, nonappropriated, and private funds of on-post activities.

(b) Assist DA personnel in managing their personal finances by encouraging participation in direct deposit programs and regular savings plans.

(12) Recognize the right of military personnel and civilian employees to organize and join credit unions formed under duly constituted authority, and encourage the application and expansion of the principles of credit union movement throughout the DOD establishment.

e. Commanders of unified and specified commands, or designees, will—

(1) Ensure the appropriate coordination of requests to—

(a) Establish financial institutions in countries not presently served. Such requests will include a statement that the requirement has been coordinated with the U.S. Chief of Diplomatic Mission or U.S. Embassy and that the host country will permit the operation.

(b) Totally eliminate financial institutions in a country. Such requests will include a statement that the U.S. Chief of Diplomatic Mission has been informed and that appropriate arrangements to coordinate local termination announcements and procedures have been made with the U.S. Embassy.

(2) Monitor and coordinate military banking operations within the command area. Personnel assigned to security assistance positions will not perform this function without the prior approval of the Director, Defense Security Assistance Agency (DSAA).

f. Major Army commanders and installation commanders will—

(1) Monitor the Army banking/credit union program within their commands.

(2) Coordinate requests to establish or construct banks and credit unions or terminate logistical support of banks and credit unions within their commands. Personnel assigned to overseas security assistance positions will not monitor, coordinate, or assist in military banking operations without the prior approval of the Director, DSAA.

(3) Assign, as appropriate, responsibility for (1) and (2) above to comptroller or resource management personnel.

(4) Recognize the right of all DA personnel to organize and join credit unions and promote the credit union movement in DA worldwide.

(5) Cooperate with financial institution associations, leagues, and councils.

(6) Permit DA personnel to serve as unpaid volunteers on credit union boards and committees when no conflict of duty or interest exists. (See AR 600–50.) These personnel may be allowed to attend credit union functions. (See AR 630–5 and Civilian Personnel Manual Supplement 990–2, book 610, subchapters 3 and 11.)

(7) Coordinate appropriate actions with unified commands.

Chapter 2
Domestic Banking Offices

Section I
Establishment, Solicitations, and Termination

2–1. Establishment

Requests for establishment of banking services will be sent through channels to the Director of Finance and Accounting, Office, Assistant Secretary of the Army (Financial Management), ATTN: SAFM–FAP–B, Indianapolis, IN 46249–1016.

a. The following information will be included in requests for establishment of banking offices:

(1) The number of DOD personnel at the installation, and other persons who may be approved to use the banking office.

(2) The names of banking institutions presently cashing payroll checks for personnel, and the number and dollar value cashed by each institution if such data can be obtained.

(3) The distance between the installation and the area banking institutions, and the names and addresses of these institutions.

(4) Available transportation between the installation and the banking institutions listed in (3) above.

(5) The estimated loss of duty time due to DOD personnel leaving the installation for banking services.

(6) The number of DOD personnel in work assignments limiting them to the installation (such as trainees, hospital patients, and foreign military personnel).

(7) Sources from which the finance and accounting officer (FAO) obtains operating and payroll cash, the frequency of these acquisitions, and the amount obtained monthly.

(8) The name and location of the depositary used to make official deposits for credit to the Treasury General Account (TGA).

(9) The estimated savings to the finance and accounting officer if a banking office were established on the installation.

(10) A list of organizational and nonappropriated fund accounts, the name and location of the banking institutions where deposited, and the average daily activity and balance of each account.

(11) A description and photographs of the space proposed for banking office use. The extent and cost of required alterations, including construction of counters and teller cages.

(12) A statement listing the requirements of the proposed banking office for safes and a vault; alarm systems; and surveillance equipment, when necessary. The statement will include the cost of equipment and how it will be acquired.

(13) Reasons for use of space controlled by the General Services Administration (GSA). All GSA-assigned space, whether leased space or Federal office building space, is reimbursable to GSA at a standard level user charge. As such, space occupied by a banking office to serve military needs will be assigned and charged by GSA.

(14) Any other information to justify the establishment of a banking office.

b. The Director of Finance and Accounting, Office of the Assistant Secretary of the Army for Financial Management (OASA (FM)), will analyze each request for the establishment of banking offices.

(1) If no banking office exists on the installation and a banking office is needed, a solicitation of nearby banking institutions may be conducted under paragraph 2–2.

(2) If a banking office, other than an MBF, already operates on an installation, paragraph 2–12*d* applies.

(3) If an MBF operates on an installation, paragraphs 2–12*d* and 2–22 apply.

c. The Assistant Secretary of the Army (Financial Management (ASA (FM)), will approve proposals for banking offices on Army installations giving notice to the selected institutions and their regulating agencies. Selected banking institutions will obtain operating authority from their regulating agencies. The ASA (FM) will obtain operating authority for MBFs. Copies of this authority will be sent to the Director of Finance and Accounting, OASA (FM), before offices open.

(1) State-chartered institutions that are members of the Federal Reserve System will obtain approval from their Federal Reserve District Bank.

(2) State-chartered savings and loan associations will obtain approval from their State supervisory authorities. Federally chartered savings and loan associations will obtain approval from the Federal Home Loan Bank Board or the principal supervisory agent in their Federal Home Loan Bank Board district.

2–2. Solicitations

The Director of Finance and Accounting, OASA (FM), will conduct solicitations for on-post banking.

a. Solicitations for banking service will be accomplished by—

(1) Sending a prospectus to banking institutions eligible by State guidelines to conduct banking operations in the area where the installation is located.

(2) Sending a prospectus to financial institution associations and regulatory authorities in the State where the installation is located.

(3) Sending a prospectus to other interested parties.

(4) Having the prospectus placed in local newspapers.

(5) Using other appropriate means.

(6) Conducting a preproposal conference at the installation for interested parties.

b. The Director of Finance and Accounting, OASA (FM), will send recommendations with justifications through channels to ASA (FM) for final approval. The selected institution will seek regulatory approval per paragraph 2–1c.

c. Commanders will not seek banking institutions to open banking offices on Army installations or to give preferential services or charges to personnel. No commitment will be made to any banking institution about the proposed opening and operation of banking offices. Also, banking offices will not be coerced when banking arrangements are under consideration or after banking offices are established. If otherwise proper, this does not preclude—

(1) Discussions with banking institutions prior to submitting a proposal for a new banking office.

(2) Helping banking offices extend their operation in support of a service need.

(3) Discussions with banking institutions to improve services or to create savings for the bank or DA personnel.

(4) Seeking proposals for banking service as directed by the Director of Finance and Accounting, OASA (FM).

(5) Negotiations for signing a banking agreement.

2–3. Termination

a. The termination of a domestic financial institution office will be initiated when—

(1) The mission of the installation has changed or is scheduled to change, and financial institution services are not needed.

(2) Active military operations preclude keeping financial institution services.

(3) The performance of the financial institution providing services is not satisfactory according to the standards ordinarily associated with the financial services industry or when the installation commander determines, after discussions with financial institution officials, that the operating policies of the financial institution office are inconsistent with this regulation.

(4) The financial institution that has been designated as a TGA domestic depositary receives a "D" or lower rating from a Treasury Department approved rating service and the Treasury Department withdraws its authorization as a TGA.

(5) Personnel reductions at the DOD installation have reduced financial institution facility operations to below a justifiable level.

b. For reasons other than those in *a*(1) and (2) above, domestic financial institution offices will be terminated as follows:

(1) The installation commander will immediately notify the Director of Finance and Accounting, OASA (FM), who will revoke the authority of the financial institution to operate the financial institution office. The lease will be terminated.

(2) The Director of Finance and Accounting, OASA (FM), will notify the ASA (FM) who will inform the regulatory agency of the action.

c. Requests for termination for cause (*a*(3), (4), and (5) above) will be substantiated by sufficient evidence and will be sent through command channels to the Director of Finance and Accounting, OASA (FM). The request will then be sent to the ASA (FM) for approval and coordination with

DASD (MS) before being sent to the appropriate regulating agency for action.

d. Financial institution offices may be voluntarily terminated provided written notice is furnished to the Treasury Department and the installation commander not less than 180 days prior to closing and before any public announcement of the planned closure. When appropriate, the commander will attempt to negotiate an agreement permitting the financial institution office to continue operations until the installation has made other arrangements. The installation commander will immediately notify the Director of Finance and Accounting, OASA (FM) through command channels. The notification will include a recommendation of whether or not replacement financial institution service is necessary. Recommendations for continued service will comply with paragraph 2–1*a*.

Section II
Use of Space, Logistical Support, and Military Real Property

2–4. Classification of banking offices

Banking offices may be furnished real estate, utilities, and other logistical support as authorized under this regulation, AR 405–80, AR 412–10, and AR 700–32.

a. When granting logistical support, domestic banking offices are classified as either nonself-sustaining or self-sustaining.

(1) A banking office is classified as self-sustaining until the banking institution provides the installation commander reports showing that profit is below 7 percent of gross expenses for four consecutive quarters. Once installation commanders have received two consecutive reports, these and all future reports will be sent through channels to the Director of Finance and Accounting, OASA (FM). The Director of Finance and Accounting, OASA (FM) authorizes the degree of logistical support and classifies the banking office as nonself-sustaining.

(2) Authorization for free logistical support remains in effect so long as quarterly profit and loss statements showing a profit of less than 10 percent of gross expenses are furnished by the banking office. When statements show a profit of 10 percent or more of gross expenses for four consecutive quarters, reimbursement will be required for support. Free support will not be approved again until profit falls below 7 percent of gross expenses for four consecutive quarters. If reports are not submitted, free support will be terminated.

(3) Banking offices may submit profit and loss statements in any format that clearly identifies the operation. Profit and loss items shown on statements must be explained and must directly relate to the banking office operation. The Director of Finance and Accounting, OASA (FM) makes final judgment on adequacy of statements.

(4) Existing MBFs that are nonself-sustaining and entitled to free support from Army will provide quarterly reports to the Director of Finance and Accounting, OASA (FM). If reports are not submitted, free support will be terminated after four consecutive quarters.

(5) Requests for exemption from report submission will be sent to the Director of Finance and Accounting, OASA (FM).

2–5. Land leases

a. A lease for construction of a building will be at the appraised fair market rental value. Charges will apply for the term of the lease not to exceed 25 years.

b. Banking institutions that participate in the construction of a shopping mall complex will be given a lease at fair market rental value for a term not to exceed 25 years. The lease will cover only land where the banking office is physically located.

c. Leases will include the following provisions:

(1) The Government's right to terminate the lease due to national emergency; installation inactivation, closing, or other disposal action; or default by the lessee.

(2) The lessee will provide written notice 180 days prior to voluntarily terminating the lease.

(3) Upon a lease termination, the Government has the option to cause title of all structures and other improvements to be conveyed to the United States without reimbursement, or require the lessee to remove the improvements and restore the land to its original condition.

d. If determined to be in the Government's interest, an existing lease of land may be extended prior to expiration of its term. Passage of title to facilities will be deferred until all extensions have expired. Such extensions will be for periods not to exceed 5 years at the appraised fair market rental of the land only as determined on the date of each such extension. The banking institution will continue to maintain the premises and pay for utilities and services furnished.

e. When, under the terms of a lease, title to improvements passes to the Government, arrangements will normally be made as follows:

(1) By no-cost permit or license for the continued occupancy of those improvements by a nonself-sustaining banking office if it continues to be nonself-sustaining. When the square footage involved exceeds that authorized in DOD 4270.1–M, the banking office will be given first choice to continue occupying the excess space under a lease that provides for fair market rental for the land underlying that excess space.

(2) By lease for continued occupancy of those improvements by a self-sustaining banking office at fair market rental value only for the associated land. The lessee will continue to maintain the premises and pay the cost of utilities and services furnished.

2–6. Leases of existing Government structures

a. Self-sustaining banking offices.

(1) The lease of an existing structure will be appraised at fair market rental value.

(2) The term will be for 5 years subject to renewal by mutual agreement and to the right of the Assistant Secretary of the Army (Installations and Logistics) (ASA (I&L)) to terminate the lease per the cancellation provisions in 2–5*c*(1) and (3). When the term exceeds 5 years, the Secretary of the Army or designee must rule that the term will aid the national defense or be in the public interest. If space occupied is assigned by GSA, charges for space and services will be at the standard level user rate of GSA.

(3) When banking institutions use their own funds to improve existing Government space, leases may be negotiated for a period not to exceed 25 years. The term of the leases will equal the extent of the improvements as determined by ASA (FM).

(4) Banking institutions will perform all maintenance, repair, improvements, alterations, and construction.

(5) Banking institutions will pay for utilities and custodial, janitorial, and other services furnished at rates set forth in the lease or by written agreement between the installation and the banking institution.

(6) Provisions listed in 2–6*b*(2) and (5) apply to self-sustaining banking offices.

b. Nonself-sustaining banking offices.

(1) Space in Government-owned buildings may be given under a no-cost, 5-year license, subject to cancellation when the office becomes self-sustaining or per the cancellation provisions in 2–5*c*(1) and (3).

(2) The size and arrangement of space should permit efficient operations. Space assigned may not exceed that shown in table 2–1 that limits gross floor space as prescribed in DOD 4270.1–M.

(3) If space occupied is assigned by GSA, charges for space and services will be at the standard level user rate of GSA.

(4) In those exceptional cases when a nonself-sustaining banking office is authorized to construct its own building or use its funds to expand, modify, or renovate Government-owned space, a no-cost license may be provided for a period not to exceed 25 years. The term of the lease will equal the extent of the improvements as determined by ASA (FM). It will be effective until the agreed date of expiration or until the banking office is determined to be self-sustaining, whichever occurs first.

(5) The banking office will be housed in a building accessible to most DOD personnel on the installation and in a location permitting maximum security.

(6) Logistical support will be provided without charge and will include steel bars; grillwork; security doors; a vault, safes, or both; a burglar alarm system; other security features normally used by banking institutions; counters and teller cages; and necessary changes to existing buildings. Free logistical support also includes utilities. Utilities are meant to include air-conditioning for banking offices located on installations qualifying for air-conditioning under Army regulations, custodial and janitorial services, and intrastation telephone services.

(Banking space is classified as administrative space on DOD installations.)

(7) The banking office will pay for long-distance, toll calls.

(8) When available from local stock, typewriters, adding machines, other office equipment, and office furniture may be leased for a nominal cost of $1 per year.

(9) Banking institutions will perform all maintenance, repair, rehabilitation, alterations, and construction.

c. Leases executed before the issuance of this regulation. These leases may not be altered unless a lessee specifically requests a renegotiation under these provisions. No lease may be negotiated or renegotiated, nor may any rights be waived or surrendered without compensation to the Government except as provided in 2–4*a*(1). Compensation to the Government may consist of added property value, added banking services, or both.

Table 2–1
Banking office space needed per personnel strength

Personnel strength	Area square feet
Up to 1,000	1,500
1,001 to 2,000	2,375
2,001 to 3,000	3,250
3,001 to 4,000	3,625
4,001 to 5,000	4,000
5,001 to 6,000	4,374
6,001 to 7,000	4,750
7,001 to 9,000	5,560
9,001 to 11,000	6,375
11,001 to 13,000	7,190
13,001 to 15,000	8,000
15,001 to 17,000	10,000
17,001 to 20,000	13,000
Over 20,000	Determined by engineer study

Note: The personnel strength shown in column 1 concerns active duty military personnel assigned to a DOD installation and stationed within a commuting area not served by another banking office, and civilian employees of the installation.

2–7. Security precautions

Normal security precautions will be considered; however, military guards, civilian guards (for use within the installation), military police, or other protective services will be provided without charge in the following cases:

a. For needed periods on paydays to guard shipments of money that is for primary use of the disbursing officer.

b. At times of unusual risk to the financial institution, such as stocking remote automated teller machines (ATMs).

c. To avoid undue insurance costs.

2–8. Military locator services

Military locator services will be provided per the guidelines in appendix B.

a. When appropriate, installations will honor financial institution requests for central locator service to get military addresses of active duty personnel. This service will be used to locate persons for settling accounts, checks that did not clear, and delinquent or defaulted loans. (See AR 600–15.)

b. The U.S. Army Finance and Accounting Center (USAFAC) helps financial institutions locate DA personnel who cannot be located locally.

(1) For addresses of active duty military personnel, financial institutions may telephone 317–542–4211/3647 or write to Commander, U.S. Army Enlisted Records and Evaluation Center (EREC), ATTN: PCRE–RF–L, Ft. Benjamin Harrison, IN, 46249–5301. The request should be on the financial institution's letterhead, include the soldier's name and social security number (SSN), and cite AR 37–60, paragraph 3–8 to obtain no-cost service. If a financial institution needs immediate service, the institution should contact the bank or credit union liaison officer.

(2) A retiree's address will not be given. However, an envelope bearing the retiree's name, SSN, and proper postage with pertinent correspondence enclosed will be sent to the retiree when mailed to the Commander, USAFAC, ATTN: DEPT 90, Indianapolis, IN 46249–0001.

(3) For soldiers separated from the Army, send correspondence in an envelope bearing the soldier's name, SSN, and proper postage to the Commander, USAFAC, ATTN: DEPT 40, Indianapolis, IN 46249–0865.

2–9. Advertising

a. On-post financial institutions may use the unofficial section of the installation bulletin if space is available. They will inform personnel of seminars, consumer information programs, or other matters of general interest. Announcements of free financial counseling are encouraged. The bulletin may not be used for competitive or comparative advertising; such as, specific interest rates on savings or loans.

b. On-post financial institutions may use on-post information bulletin boards for posting general information that complements the installation's financial counseling programs and promotes financial responsibility and thrift. Message center services may distribute a reasonable number of announcements to units for use on bulletin boards so long as this does not impose an unreasonable workload.

c. Off-post financial institutions will not be permitted to distribute competitive literature or bank account forms on the installation. However, they may use commercial advertising or mailings to service their customers.

d. Advertising through the use of the Armed Forces Radio and Television Service and in official Armed Forces newspapers and periodicals is prohibited with the exception of insert advertising in the STARS AND STRIPES overseas.

2–10. Automated teller machine service

Financial institutions will be encouraged to install ATMs on the installation.

a. Financial institutions that propose to install an ATM on an installation will—

(1) Provide for access through a debit transaction card rather than limiting access solely to holders of a financial institution's credit card.

(2) Provide that the cost of ATM installation, maintenance, and operation be borne by the financial institutions involved.

b. ATM approval authority is shown below.

(1) The installation commander has approval authority when an on-post financial institution wishes to place an ATM on the installation. On approval, financial institutions will provide a copy of this approval to the Director of Finance and Accounting, OASA (FM), prior to ATM installation. The ASA (FM) will coordinate approval for MBFs. When sending proposals that require the use of locations not under command control such as a post exchange building, the installation commander will ensure that the proposals have been fully coordinated.

(2) Major Army commands (MACOMs) have ATM approval authority when an off-post financial institution wishes to place an ATM on an installation without an on-post financial institution. If MACOM approval authority is granted, the Director of Finance and Accounting, OASA (FM), must be notified to conduct solicitations per paragraph 2–2.

(3) In no case will an off-post financial institution be allowed to place an ATM on an installation that is already served by an on-post financial institution. This constitutes a request for a second financial institution on post and requires ASA (FM) approval. (See paras 2–1 and 2–2).

c. Leases will be negotiated. When a banking office requests up to 100 square feet of additional floor space in an existing structure and the banking office agrees to bear all expenses for modifying the structure, a 5-year lease providing for an annual rental fee of $1 will be locally negotiated and approved by the installation commander. This lease provision also will be offered if the banking office requests up to 250 square feet of land to construct, at its expense, a kiosk or other structure to house an ATM. In either case, the cost of any maintenance, utilities, and services provided by the installation will be borne by the banking office. However, no lease is needed to install an ATM within the existing banking office.

d. The availability of ATM service will not preclude the later establishment of a banking office if conditions on an installation should change.

2–11. Construction

Banking institutions that operate banking offices may construct buildings subject to the following provisions:

a. The building will be for the use of the banking institution and may not provide for other commercial enterprises or Government instrumentalities.

b. Construction projects costing—

(1) A total of $25,000 or more will be approved by the MACOM with an information copy sent to the Director of Finance and Accounting, OASA (FM), who will notify the ASA (FM). The Director of Finance and Accounting, OASA (FM), will have 30 days to provide the comments to MACOMs before MACOM final approval can be granted. MACOMs may accept telephonic concurrence from the Director of Finance and Accounting, OASA (FM).

(2) Less than $25,000 will be approved by installation commanders. Copies of approvals including the cost of the project will be furnished to the Director of Finance and Accounting, OASA (FM), who will notify the ASA (FM).

c. Interior alterations or room or office additions to existing financial institutions only require the approval of the installation commander.

d. Construction projects must meet the criteria in DOD 4270.1–M.

e. Congress must be notified of all construction projects using other than appropriated funds and costing over $500,000. (See AR 415–19.)

f. Banking institutions will perform interior alterations and maintenance and will pay for utilities, custodial, and other furnished services.

g. Banking institutions will pay for costs of construction.

h. Proposals for construction of structures on installations at banking institution expense will be reviewed and reported per AR 415–19. The following information will be listed to support each proposal:

(1) The number of DOD personnel at the installation plus others who may use the banking office.

(2) Square footage of the proposed building.

(3) Land area to be leased to the banking institution.

(4) Term of the lease.

(5) Estimated cost of construction.

(6) Estimated fair market value of the land to be leased.

(7) A statement that the banking institution will be responsible for utility connections and other utility and maintenance costs.

(8) A statement that the building will be used for banking purposes only.

(9) A statement that management understands its potential loss of the building in the event of installation closure or other delimiting condition.

(10) Justification for a waiver of space criteria if the building exceeds that specified in DOD 4270.1–M.

Section III
Operations

2–12. General policy

a. Commercially available sources will perform retail banking operations and provide convenient banking offices for management of public and private funds. The preferred sources of on-post service at domestic installations are independent or branch banks, full-service credit unions, and savings and loan associations.

b. Disbursing officers, custodians of nonappropriated funds, and managers of other installation activities will use banking offices to the greatest extent practical with good cash management and sound management practices.

c. DOD personnel requirements for banking and financial services are a major basis for establishing and maintaining on-post banking offices. Failure to use these services may result in closure of the banking office. However, use by personnel of these services will be voluntary and will not be urged in preference to other financial institutions. Personnel who have portions of pay going to off-post financial institutions will not be asked to change their arrangements.

d. Under certain circumstances, more than one banking institution may be permitted to operate on a DOD installation to ensure that personnel on the installation receive adequate financial services.

(1) If a particular installation demonstrates need for more services, the existing banking office will first be given the opportunity to meet those needs.

(2) When conditions warrant consideration of a second banking institution on the installation, a request providing full details will be sent through channels to the Director of Finance and Accounting, OASA (FM), for evaluation and appropriate action. ASA (FM) may approve and send such requests to the appropriate regulatory agency after coordination with the DASD (MS).

e. Only banking institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) will operate on domestic Army installations. Official and nonappropriated fund deposits at banking offices on Army installations will be insured or secured with collateral under the rules of the Fiscal Assistant Secretary of the Treasury. A banking office not maintaining such insurance will be suspended from on-post operation.

f. In cases where authorization will be required for the banking institution to act as a TGA domestic depositary, the banking institution will satisfy the risk management standard established by the U.S. Department of the Treasury.

g. All correspondence on banking office matters, and all questions concerning the operation of banking offices that cannot be resolved locally will be referred through command channels to the Director of Finance and Accounting, OASA (FM), ATTN: SAFM–FAP–B, Indianapolis, IN 46249–1016 for resolution.

2–13. Installation banking services

a. Financial services provided on Army installations will be the same for all personnel, when possible.

b. Custodians of nonappropriated funds will compensate banking institutions for services received. Compensation can be made with compensating balances or by paying fees based on the services provided or by both. Fees will not exceed the charge customary for the banking institution less an offsetting credit on balances maintained. (Banking offices should classify nonappropriated fund accounts as commercial accounts.)

c. Banking offices will provide the same services to individuals and nonappropriated fund instrumentalities as available locally. Service charges or fees may not exceed those customary for the banking institution that operates the banking office with the following exceptions:

(1) *Cashing U.S. Treasury checks.* There will be no charge to account holders.

(2) *Cashing of personal checks.* A reasonable charge may be made for cashing personal checks; however, checks drawn on the banking institution operating the banking office will be cashed without charge provided sufficient funds are on deposit to cover such checks.

(3) *Disbursing officers.* Banking offices are expected to provide payroll cash to military disbursing offices on request. Local operating funds may be used if the banking office requests reimbursement for costs incurred. Also, banking offices will accept deposits for credit to the TGA when so authorized.

d. On-post banking offices may conduct operations during normal duty hours provided they do not disrupt the performance of official duties. Banking offices should set operating hours that meet the needs of all concerned. ATMs may be used to provide expanded service and operating hours.

e. DOD personnel may use their allotment of pay privileges to establish sound credit and savings practices through on-post banking offices.

(1) The banking institution will credit customer accounts not later than the value date of the allotment check or electronic funds transfer.

(2) Under no circumstances will the initiation of an allotment of pay become a prerequisite for loan approval or disbursement to the banking office's customer. Allotments voluntarily consigned to a banking office will continue at the option of the allotter.

f. In accordance with accepted banking practice, policies on loans to individuals are expected to be as liberal as possible while remaining consistent with the overall interests of the banking institution and its stockholders. On-post banking offices will conform to the Standards of Fairness principles before executing loan or credit agreements. (See AR 600–15, app B.) Should an on-post banking office refer a prospective borrower to an off-post office of the same institution, it will advise the latter office that DA requires compliance with the Standards of Fairness before executing the loan or credit agreement.

g. Financial education and counseling services will be made available without charge to individual account holders. Such services will include helping customers to budget and solve financial problems. Soldiers in junior enlisted grades or newly married couples who apply for loans will receive special attention and counseling.

2–14. Staffing policies

a. On-post banking offices are expected to be adequately staffed commensurate with banking industry standards for similar numbers of account holders and financial services rendered.

b. Remote service locations at the same installation may be staffed with only one person provided there is a direct courier or message service to the main on-post banking office.

c. All staffing will comply fully with the spirit and intent of the DOD equal employment opportunity policies and programs.

d. DA personnel may not serve as directors of banking institutions operating banking offices on Army installations.

e. A Reservist who has been serving as a director of a banking institution on an Army installation need not resign the directorship when called to active duty.

f. DA personnel may not be detailed to duty with a banking office located on an Army installation. However, off-duty personnel may be employed by a banking office subject to installation commander approval. Such employment must not interfere with the performance of the individual's DA job.

2–15. Clearance policy

The installation commander will set clearance policy for personnel leaving the installation. Military personnel should clear with the financial institution before leaving the installation. The purpose of a clearance is to report change of address, reaffirm allotments or outstanding debts, and receive counseling, if desired or appropriate. Clearance may not be denied in order to collect debts or resolve disputes between departing customers and financial institution management. When administratively feasible, similar clearance procedures will be used for departing DOD civilian personnel.

2–16. Financial education

a. Officials of financial institutions will be invited to take part in seminars to educate personnel on personal financial management and services of financial institutions. Financial institutions will be encouraged to provide financial education and counseling services as an integral part of their financial program. Officials will submit advance briefing texts for approval by the installation commander to ensure that the program is not used to promote services of a specific banking institution. (See AR 210–7, para 2–10.)

b. Since personnel who write bad checks and overdraw accounts hurt their credit rating and affect the public image of all Army personnel, military financial counselors and legal advisers will recommend repayment plans to protect an individual's credit standing and career. Counselors will inform individuals of the stigma of bankruptcy and will recommend it only as a last resort.

2–17. Operating agreements

Before banking office operations begin, a written agreement will be made between the installation or garrison commander and officials of the banking institution that is to operate the banking office. One copy of the agreement will be sent through channels to the Director of Finance and Accounting, OASA (FM). One copy of the agreement will be maintained by the installation or garrison commander and the bank manager. As a minimum, the agreement will address the following:

a. A statement of services to be rendered and the conditions for service. When possible, full financial services will be provided; however, agreements may not restrict the banking institution's right to renegotiate services and fees to maintain consistency with competing institutions or the banking institution's branchwide service offerings and fee schedules.

b. Compliance by the banking institution with this regulation.

c. Indemnification by the banking institution. The banking institution will indemnify and hold harmless the U.S. Government from (and against) any loss, expense, claim, or demand to which the Government may be subjected as a result of death, loss, destruction, or damage in conjunction with the use and occupancy of Army premises caused in whole or in part by agents or employees of the banking institution.

d. Agreement that neither DA components nor their representatives will be responsible or liable for the financial operation of the banking office or for any loss (including criminal losses), expense, or claim for damages arising from banking office operation.

e. Provision by the banking institution of 180 days' advance written notice before ceasing operations.

f. The specific security services to be provided for guarding shipments on paydays, at times of unusual risk to the banking center, and to avoid excessive insurance costs charged to the banking office.

g. Maintenance of sufficient insurance by the banking office.

h. Accommodation by the banking institution, whenever possible, of local command requests for lectures and printed materials for consumer credit education programs. (Banking officer personnel invited to participate in such programs will not use the occasion to promote the exclusive services of a particular financial institution.)

2–18. Bank liaison officer (BLO)

Each installation commander having a banking office will appoint a BLO. The BLO's name and duty telephone number will be conspicuously displayed at each banking office on the installation. As appropriate, the BLO's responsibility should be assigned to comptroller or resource management personnel. Employees or officials of a financial institution may not serve as BLOs. The duties of a BLO are to—

a. Ensure financial institutions have the latest version of this regulation.

b. Ensure that travelers checks and money orders are not being sold by other on-post organizations when banking offices are open for business. However, postal units and credit unions are exempt from this restriction.

c. Attend financial workshops, conferences, and seminars when possible. They offer excellent opportunities for personnel of financial institutions and DA to improve the Army banking program. Free discussion among the attendees gives an excellent forum for planning, developing, and reviewing programs that improve military banking and financial services.

d. Aid, when asked by the financial institution manager or the installation commander, in locating and collecting from individuals who pass dishonored checks, overdraw accounts, or default on loans (within the guidelines of app B) if not otherwise prohibited by law.

e. Evaluate financial institution performance annually and submit a report to the commander with recommendations for service improvements.

f. Review the operating agreement every 3 years or upon change of BLO, whichever occurs first, and the schedule of fees annually. Renegotiate services and fees when necessary.

g. Assist in resolving customer complaints about services.

h. Assist in resolving complaints of discrimination with financial services by the on-post financial institution. If the complaint cannot be resolved, send a written request for investigation to the appropriate regulatory agency. The request must document the problem and command efforts toward resolution. Send information copies of all related correspondence through channels to the Director of Finance and Accounting, OASA (FM), for transmittal to the DASD (MS).

i. Assist the installation commander to report to the appropriate regulatory agency evidence suggesting malpractice by financial institution personnel.

j. Maintain regular contact with the financial institution manager; however, the BLO cannot become involved in the internal operations of the financial institution.

Section IV
Domestic Military Banking Facilities

2–19. General policy

The policy for MBFs is the same as prescribed in section I of this chapter. Modification of that policy is in this section.

2–20. Establishment

a. The establishment of MBFs should be requested only when a need for services cannot be met by other means. Normally, MBFs will be used in States that forbid branch banking; however, during mobilization, MBFs may be designated as an emergency measure.

b. Installation commanders will send requests with justification for establishment of a banking facility as opposed to another type of banking office through command channels to the Director of Finance and Accounting, OASA (FM), for staff action. If approved by the Director of Finance and Accounting, OASA (FM), the request will be sent through the ASA (FM) to the DASD (MS) for approval. It will then be sent to the Fiscal Assistant Secretary of the Treasury.

c. Once the banking institution has been authorized by the Department of the Treasury, operation of the MBF may begin.

2–21. ATM service

Approvals for remote ATMs will comply with paragraph 2–20*b*.

2–22. Conversion of MBFs

a. Installation commanders will encourage MBFs to convert to independent or branch banks or savings and loan offices if consistent with State law.

b. Proposals from a banking institution to convert an existing banking facility to an independent or branch bank will be sent through command channels with the Director of Finance and Accounting, OASA (FM), for approval. The Director of Finance and Accounting, OASA (FM), will coordinate with DASD (MS) and the Treasury Department.

c. Unsolicited proposals from banking institutions for establishment of an independent or branch bank or savings and loan where an MBF exists will be sent through command channels to the Director of Finance and Accounting, OASA (FM). Each proposal will be evaluated on its own merits.

(1) Installation commanders will tell the banking institution operating the existing MBF of the unsolicited proposal and will give that institution the chance to submit its own proposal.

(2) Preference will be given to the banking institution that has operated the MBF provided that prior banking service has been satisfactory and that the institution's proposal is adequate.

(3) Conversion will not always be required if the MBF is a self-sustaining office or is offering full financial services.

2–23. Termination

The ASA (FM) will notify the Fiscal Assistant Secretary of the Treasury so that the banking institution's authority to operate the MBF may be terminated.

Chapter 3
Overseas Military Banking Facilities

3–1. General provisions of banking services overseas

DOD provides banking services overseas to authorized persons and organizations by—

a. Contracts negotiated with U.S. banking institutions under the FAR.

b. Direct negotiation with U.S. banking institutions for operation of nonreimbursable MBFs.

c. Direct negotiation with foreign banks where host countries do not allow the use of U.S. banking institutions.

3–2. Establishment

a. Overseas military banking facilities. Overseas MBFs are operated under contract. Installation or community commanders needing banking services will send a request through command channels to the Director of Finance and Accounting, OASA (FM), ATTN: SAFM–FAP–B, Indianapolis, IN 46249–1016 for evaluation. The request, with recommendations from the Director of Finance and Accounting, OASA (FM), will be sent through command channels to the ASA (FM) for approval. If approved, the request will be submitted to the DASD (MS) for inclusion in the current contract subject to the conditions below.

(1) Requests for MBFs will include but not be limited to the following information:

(a) The approximate number of DOD personnel at the installation and in the community and any other persons who may be authorized to use the MBF.

(b) The distances between the installation and the nearest MBFs and credit union offices, the names, addresses, and telephone numbers of the operators of those institutions, and the installations and communities where they are located.

(c) The availability of official and public transportation between the installation or community and the nearest MBF and credit union office.

(d) The approximate loss of duty time resulting from DOD personnel leaving the installation or community to obtain banking services.

(e) The number of DOD personnel in duty assignments that confine them to the installation or who cannot obtain transportation (such as hospital patients).

(f) Sources from which the finance and accounting officer (FAO) presently obtains operating and payroll cash, the frequency of these cash acquisitions, and the approximate dollar value obtained monthly.

(g) The name and location of the depositary now being used by the FAO to make official deposits for credit to the TGA.

(h) The estimated savings to the FAO if the MBF is established on the installation.

(i) A list of organizational and nonappropriated fund accounts, the names and locations of the banking institution where presently deposited, and the average daily activity and balance of each account.

(j) A written description and photographs or drawings of the space proposed for banking facility use. The extent and approximate cost of required alterations, including the construction of counters and teller cages.

(k) A statement detailing the requirements of the proposed banking facility for safes, a vault, or both; appropriate alarm systems; and camera surveillance equipment where deemed necessary. The statement will include the costs of such equipment and the manner in which it will be acquired.

(l) In countries where no MBFs are operated under contract, a statement that the requirement has been coordinated with the U.S. Chief of Diplomatic Mission or U.S. Embassy and that the host country will permit the operation.

(m) Any other pertinent information to justify the establishment of a banking facility.

(2) As a general rule, banking facilities may be established when the installation or community population meets the following criteria:

(a) Full-time banking facility. Except in unusual circumstances, a total of at least 1,000 permanent military personnel and DOD civilian employees is necessary to qualify for a full-time banking facility.

(b) Part-time banking facility. Except in unusual circumstances, a total of at least 250 permanent military personnel and DOD civilian employees is necessary to qualify for a part-time banking facility.

(3) If the population at certain remote areas is not sufficient to qualify under the criteria for full- or part-time banking facilities, the installation or community commander will explore all other alternatives for acquiring limited banking services before requesting establishment of an MBF as an exception to these provisions. Alternatives to limited banking services include check cashing and accommodation exchange service by disbursing officers and their agents as well as mobile bank vans.

(4) Establishment of an overseas banking facility is predicated on—

(a) Designation of the MBF contractor as a depositary and financial agent of the U.S. Government by the Fiscal Assistant Secretary of the Treasury.

(b) The availability of proposed banking contractors able and willing to bid for the operation of the facility and the reasonableness of such proposals.

(c) The availability of appropriated funds to underwrite such banking services.

b. Other overseas banking facilities. The banking and currency control laws of certain host countries do not permit U.S. banking institutions to operate banking facilities on DOD installations.

(1) In such countries, installation or community commanders will send requests for banking services or unsolicited proposals

from local banks to their major commanders with supporting data as required in *a* above.

(2) Major commanders will coordinate with the unified command commander or banking designee and the U.S. Chief of Diplomatic Mission or U.S. Embassy. All options should be considered and banking services in that country should be similar for all DOD personnel.

(3) Major commanders will send the requests and proposals for evaluation to the Director of Finance and Accounting, OASA (FM), who will send them to the DASD (MS) for approval. If approved, the DASD (MS) will send the request or proposal to the ASD (C) for the foreign parent banking institution to be designated a depositary and financial agent of the U.S. Government by the Fiscal Assistant Secretary of the Treasury.

(4) Banking offices in this category will become operational only after the foreign parent banking institution has been designated a depositary and financial agent of the U.S. Government. The financial institution must also indicate a willingness and ability to provide collateral backing for any official and nonappropriated fund U.S. dollar deposits. Any collateral pledged must be in a form acceptable to the DASD (MS) and the Fiscal Assistant Secretary of the Treasury.

3–3. Logistical support

a. Overseas MBFs operated under contract.

(1) Installation or community commanders will provide logistical banking support. Such support normally includes—

(a) Adequate office space, including steel bars; grillwork; security doors; a vault, safes, or both; security alarm systems that meet documented requirements of the contractor's insurance carrier; construction of counters, teller cages, and customer and work areas; necessary modifications and alterations to existing buildings; and construction of new MBF premises, if necessary. The size and arrangement of space should permit efficient operations. Space assigned may not exceed that shown in table 2–1 that limits gross floor space as prescribed in DOD 4270.1–M.

(b) Office space in a building that is accessible to the most users and permits the maximum security.

(c) Office space for MBF area and district administrations and storage space for retention of records, files, and storage of supplies.

(d) Public quarters for key MBF personnel who cannot find suitable, reasonably priced (based upon local market conditions) housing near the installation. Charges for rent will comply with AR 700–32.

(e) All maintenance, repair, improvements, alterations, and construction that will be accomplished per AR 415–10.

(f) Air-conditioning, which is considered a normal utility for banking offices located at installations that qualify for air-conditioning under applicable regulations. Banking space is classified as administrative space at Army installations.

(g) Utilities, custodial and janitorial services, and intrastation telephone service. "Utilities" is defined as electricity, heat, water, sewage, and garbage disposal.

(h) Automatic digital network (AUTODIN) and automatic voice network (AUTOVON) as approved on a case-by-case basis.

(i) Normal security precautions. However, military guards, civilian guards (for use within the installation), military police, or other protective services will be provided to accompany shipments of money between MBFs that is primarily for the use of the disbursing officer. This level of protective service will also be provided at other times as required to avoid undue risks or insurance costs on the part of the MBF.

(j) Military locator service. (See para 2–8.)

(k) U.S. Military Postal Service in connection with the postal requirements resulting from MBF official operations (AR 65–1). MBF mail must bear necessary postage.

(l) Office equipment and furniture that may be leased to the MBF at a nominal cost if available from local stocks. If office equipment or furniture is unavailable, statements of nonavailability will be issued.

(m) Vehicle registration and gasoline sales from Government-owned facilities for bank-operated vehicles if not in conflict with host government agreements. Vehicle registration will be subject to normal fees.

(n) Limited advertising. (See advertising policies in para 2–9.)

(2) Suggestions for changes to the contracts under which this logistical support is given may be sent through command channels to the Director of Finance and Accounting, OASA (FM).

b. Other overseas banking offices.

(1) Logistical support provided to such offices will be negotiated with the banking institution and incorporated into the written operating agreement.

(2) Usually, logistical support should not exceed that provided to domestic banking offices. Whenever possible, the banking institutions will pay for logistical support.

3–4. Operations

a. General conditions of banking office operation.

(1) Before operating banking offices, a written agreement will be signed by the installation or community commander and management of the banking contractor or other financial institution concerned. One copy of the agreement with U.S. banking contractors and two copies of the agreement with institutions other than U.S. banking contractors will be sent through command channels to the Director of Finance and Accounting, OASA (FM). The Director of Finance and Accounting, OASA (FM) will send one copy of the agreement with institutions other than U.S. banking contractors through command channels to the DASD (MS). A copy of the agreement will be kept by the installation or community commander and the banking institution manager at all times.

(a) For MBFs operated by U.S. banking contractors, the agreement will state operating details not set forth in the contract. Though the contract limits the number of operating hours per week, local commanders and MBF managers should set days and hours of operation to best meet local needs. Operating times may include Saturdays and evening hours when necessary to complement other retail services for DOD personnel if the contractor provides such service at no additional cost to the Government. When added cost is involved, the commander will send a request including reasons for expanded or modified times of operation through command channels to the Director of Finance and Accounting, OASA (FM) for action. If approved, the request, with recommendations, will be sent through command channels to OSAD (C), Director for Banking, who will seek action from the administrative contracting officer (ACO).

(b) For other overseas banking offices, refer to paragraphs 2–17*a* and *e* for operating agreement guidance.

(c) Banking office tests, which are established from existing resources, must have prior approval of the Director of Finance and Accounting OASA (FM). Requests will include reasons for the test, the type and amount of resources to be used, and the test period.

(2) Clearance policy is listed in paragraph 2–15.

b. MBFs operated by U.S. banking contractors.

(1) *Authorized customers.* Banking contracts list personnel eligible for service. However, major commanders may approve banking services for other people and organizations that qualify for individual logistic support under Army regulations if use of the banking services is not prevented by inter-Governmental agreements or local law.

(2) *Services rendered.* Services and charges are listed in the contracts. Requests for expansion or modification of services or charges will be sent through command channels to the Director of Finance and Accounting, OASA (FM) for submission to the DASD (MS). Proposals for any new service must be coordinated with the appropriate unified commander and U.S. Chief of Diplomatic Mission or U.S. Embassy.

(3) *Regulation to be provided.* Each U.S. banking institution operating an overseas MBF will be advised by the Director of Finance and Accounting, OASA (FM) of this regulation and a copy will be furnished to each.

(4) *Conditions of operation.*

(a) Part-time and payday service MBFs will provide services similar to those of full-time MBFs. Since part-time MBFs operate

out of nearby MBFs, installation or community commanders will provide and fund transportation and guards for their operation.

(b) The installation or community commander, or designee, will review monthly income, expense, and activity statements provided by the full-time MBF. Any deficiency of banking services under current contracts will be reported to the manager of the MBF within 7 calendar days of noting the deficiency. If the problem has not been corrected within 30 calendar days after being noted, the commander will report the problem through command channels to the Director of Finance and Accounting, OASA (FM) for evaluation and submittal to the DASD (MS). The DASD (MS) will send the report to the ACO.

(c) The MBF contractor and Army disbursing officers will establish cash management practices to minimize the cash required to conduct business.

(d) Commanders will assist MBF contractors develop and update plans for banking services in the event of hostilities or other emergencies.

c. Other overseas banking offices.

(1) *Authorized customers.* Major commanders may approve banking services for individuals and organizations that qualify for individual logistic support under Army regulations if use of banking services is not prevented by inter-Governmental agreements or local law.

(2) *Services rendered.* Services and charges will parallel, when practical, services and charges of MBFs operated by U.S. banking contractors. Specific services will be negotiated and included in the agreement with the banking institution. The agreement will be sent through command channels to the Director of Finance and Accounting, OASA (FM) for submission to the DASD (MS).

(3) *Operating agreements.* Before agreements are executed, they will be coordinated with the appropriate unified commander or designee.

(4) *Conditions of operation.* Normally, a banking institution will provide equipment (except that furnished by the installation or community), supplies, and trained bank personnel for the operation of an MBF.

d. Relocation of banking facility.

(1) When an MBF is moved from one location to another at the same installation or community, the commander will notify the Director of Finance and Accounting, OASA (FM), through command channels. The Director of Finance and Accounting, OASA (FM) will send the information through command channels to the DASD (MS).

(2) For all other moves, prior approval must be obtained through command channels from the DASD (MS). Requests will be staffed with the appropriate command and unified command before sending to the Director of Finance and Accounting, OASA (FM).

e. Banking comments. Installation or community commanders will send their comments through command channels to the Director of Finance and Accounting, OASA (FM) for any of the following:

(1) Opinion that the cost of the MBF operation exceeds the benefits. The net cost to DA of furnishing space, utilities, guard and janitorial services, intrastation telephone service, and other authorized logistical support will be considered.

(2) Opinion that the MBF is overstaffed or understaffed. Consider the periods during the month when MBF personnel are not busy enough or too busy.

(3) Questionable items of expense or income that are in the MBF reports.

(4) Major changes in installation population that would affect use of the MBF.

(5) Major changes in banking services that would affect a future need for the MBF. Include whether the disbursing officer has been allowed to cash personal or Treasury checks.

(6) Opinion that the space assigned is not adequate for the efficient operation of the MBF. Include a statement concerning corrective action.

(7) Opinion that installation or community changes make the operation of the MBF inefficient. Include a statement on suggestions for improving efficiency.

(8) Suggestions that might improve the MBF operation, increase efficiency, or decrease costs.

(9) Pending developments that may have an impact on the MBF operation.

(10) Indications that the quality of service is not good. Include specific problem areas and all corrective actions that have been taken to improve service.

f. Bank liaison officer. Each installation or community commander with an MBF will appoint a BLO. The BLO's name and duty telephone number will be displayed in the lobby of each MBF. No one serving the banking institution in an official capacity may serve as a BLO. (See paras 2–18*a, c, e, g,* and *j* for the duties of a BLO.)

3–5. Termination

Requests to eliminate all banking offices in a country will indicate that the U.S. Chief of Diplomatic Mission has been informed and that arrangements for local termination announcements and procedures have been made with the U.S. Embassy.

a. MBFs operated by U.S. banking contractors. In cases when an installation or community can no longer justify overseas MBF operations, the installation or community commander will immediately notify the Director of Finance and Accounting, OASA (FM) through command channels.

(1) The report will state whether a part-time MBF should be established. It will also note the number of days per week it will be needed.

(2) The Director of Finance and Accounting, OASA (FM) will send this report with recommendations through command channels to the DASD (MS) who will notify the ACO.

b. Other overseas banking offices. Terminations will be made under clauses in operating agreements. Notice of intent to terminate including the closing date will be sent by the major commander to the Director of Finance and Accounting, OASA (FM), ATTN: SAFM–FAP–B, Indianapolis, IN 46249–1016, who will notify the Fiscal Assistant Secretary of the Treasury so that the banking institution's authority as a depositary and as a financial agent of the U.S. Government may be revoked.

Chapter 4
Domestic and Overseas Credit Unions

Section I
Establishment and Termination of Domestic Credit Unions

4–1. Establishment

a. When a need is shown and enough capable, interested personnel are available, credit union services may be obtained by either of the following:

(1) Establishing a new full-service credit union.

(2) Opening a branch office or facility of an existing credit union under the common bond principle.

b. DA personnel seeking to establish (1) or (2) above will submit a proposal to the installation commander for review. Proposals will request a field of membership to include all personnel at the installation. If the commander concurs, the proposal will go through command channels to the Director of Finance and Accounting, OASA (FM), who will send it with recommendations to the ASA (FM) for final action in coordination with the proper credit union regulatory agency.

c. Installations will not permit the distribution of competitive literature from other credit unions at locations served by on-post credit unions. However, credit unions may use direct mail or commercial advertising to serve their field of membership in another credit union's area.

4–2. Termination

a. Termination of operations by credit union.

(1) When a credit union plans to end operations on a DA installation, it will notify the installation commander 180 days before the closing date. This notification will precede public announcement of the planned closure. When appropriate, the commander will attempt to negotiate an agreement permitting the credit union to continue operations until the installation has made other arrangements.

(2) The installation commander will inform the Director of Finance and Accounting, OASA (FM), immediately on notification of a closing. The report should

include a recommendation about continued credit union service on the installation. If continued service is needed, paragraph 4–1 applies.

b. Termination for cause. If, after discussion with credit union officials, the installation commander determines that the operating policies of the credit union are inconsistent with this regulation, a recommendation for termination of logistical support and space arrangements may be made through the Director of Finance and Accounting, OASA (FM). A credit union will be removed from the installation only with approval of the ASA (FM) after coordination with the DASD (MS) and the appropriate regulatory agency.

c. Termination in the interest of national defense. At the option of the Government, leases may be terminated in the event of national emergency or as a result of installation deactivation, closing, or other disposal action.

Section II
Use of Space, Logistical Support, and Military Real Property for Domestic Credit Unions

4–3. Criteria for use of space on Government-owned real property

a. Criteria governing the assignment of space and construction of new space for credit unions are in DOD 4270.1–M and AR 415–10.

b. A credit union may be furnished space on a DA installation at one or more locations by no-cost permits or licenses for periods not to exceed 5 years. (See AR 405–80.) The cumulative total of space given is subject to the limitations of DOD 4270.1–M.

(1) Granting office space and real property to on-post credit unions will be governed by the Federal Credit Union Act, section 124. The provision of no-cost office space and other real property is limited to credit unions having a membership at least 95 percent of which is composed of individuals who are, or who were at the time of admission into the credit union, military personnel or Federal employees, or members of their families. This percentage criterion applies to the total credit union membership, not just to members who use the on-post office. A written statement, prepared on the credit union's letterhead and signed by either the president of its board of directors or its general manager to the effect that the credit union meets the 95 percent criterion, will justify and document the allotment of free Government space. A certification is also required whenever there is a merger, takeover, or significant change in a field of membership. This certification will serve as justification and documentation for the continued allocation of free Government space including space renovated or constructed with credit union funds. The statement will be updated every 3 years and on renewal of each no-cost lease or license. (See fig 4–1 for a format for a Certificate of Compliance.)

(2) Credit unions that fail to meet this criterion will be charged fair market rental for space. Except where more than one credit union already exists on an installation, credit unions giving less than full service and not serving all assigned DOD personnel are not authorized free space.

(3) When a credit union uses its own funds to expand, modify, or renovate Government-owned space, a no-cost permit or license may be given for a period not to exceed 25 years. The term of the permit or license will be equal to the extent of improvements as determined by ASA (FM).

4–4. Logistical support

When available, janitorial services, utilities (such as air-conditioning, electricity, gas, water, and sewage), fixtures, and maintenance will be furnished at no cost to credit unions occupying free space in Government buildings. However, credit unions will procure and pay for all telephone services such as telephone lines and long distance calls. Credit unions will pay for space changes. Should a credit union fail to meet the 95 percent membership criterion, any logistical support furnished will be on a reimbursable basis. When available from local stock, typewriters, adding machines, other office equipment, and office furniture may be leased to an on-post credit union at a nominal cost of $1 per year.

4–5. Military locator services

See paragraph 2–8 for military locator services.

4–6. Advertising

See paragraph 2–9 for advertising policies.

4–7. ATM service

The policies for credit union ATMs are the same as the policies applicable to banks. (See para 2–10.)

4–8. Construction

a. Refer to paragraph 2–11 for the credit union construction policy. However, credit unions that finance building construction at their expense do not have to meet the space criteria contained in DOD 4270.1–M.

b. Land required for approved construction at credit union expense will be made available only at appraised fair market rental by real estate lease not to exceed a term of 25 years. Leases will provide that, at the option of the Government, buildings and other improvements on the land will be conveyed to the Government without reimbursement, or will be removed and the land restored to its original condition in the event of the following:

(1) National emergency.

(2) Installation deactivation, closing, or other disposal action.

(3) Liquidation of the credit union.

c. When a credit union takes part in the construction of a complex (for example, an installation shopping mall), it will be given a lease at fair market rental not to exceed 25 years. The lease will cover only the land underlying the credit union building.

d. If determined to be in the Government's interest, an existing land lease may be extended prior to expiration of its term. Passage of title to facilities will be deferred until all extensions have expired. Such extensions will be for periods not to exceed 5 years at the appraised fair market rental of the land only as determined on the date of each such extension. The credit union will continue to maintain the premises and pay for utilities and services furnished.

e. When, under the terms of a lease or extension, title to improvements passes to the Government, the credit union will be given first choice to continue occupying those improvements under a facility lease. The lease will require the credit union to maintain the premises and pay for utilities and services furnished. In addition, the lease for a credit union not qualifying under the 95 percent criterion will require that the credit union pay fair market rental for land underlying the improvements.

Section III
Domestic Credit Union Operations

4–9. General policy

a. At some installations, two credit unions now exist—each with independent or overlapping fields of membership. These credit unions should be encouraged to request charter amendments that would eliminate overlaps while ensuring coverage of all installation personnel. When charter amendment is opposed by credit union officials or disapproved by the NCUA or the State agency, encourage credit unions to merge. Military officials will not require charter amendments or mergers.

b. Except as noted in *a* above, only one credit union is allowed on an installation. Its field of membership normally will include all assigned DOD personnel. When two or more credit unions now exist, each is entitled to the benefits defined in this regulation as if it were located on a separate installation.

c. Defense credit unions must provide share insurance at least equal to that required by NCUA for Federal credit unions. The insurance may be obtained through NCUA, a State-sponsored insurance program, or a private insurance plan. Credit unions without share insurance may not operate on the installation. In such cases, procedures established in paragraph 4–2*b* apply.

d. All correspondence on credit union matters and all questions concerning the operation of credit union offices that cannot be resolved locally will be referred through command channels to the Director of Finance and Accounting, OASA (FM), ATTN: SAFM–FAP–B, Indianapolis, IN 46249–1016 for resolution.

4–10. Credit union services

a. Credit unions may operate during normal duty hours if no conflict with official

duties exists. Credit unions are encouraged to set hours to meet the needs of the post. ATMs may be used to provide service and expand hours.

b. Credit unions will offer free counseling service to all their DOD members. They will make special efforts to help young, inexperienced personnel and their families solve money problems and plan budgets. Soldiers in junior enlisted grades or newly married couples who apply for loans will receive special attention.

c. In accordance with accepted credit union practice, lending policies will be as liberal as possible and still serve the interest of the overall membership and the individual member. Credit unions must give the best possible service to all members. They will give special attention to the counseling of soldiers in pay grades E1, E2, and E3 who apply for loans. Credit unions that discriminate in their loan services are in violation of this regulation. Credit unions will conform to the Standards of Fairness before making loan or credit agreements. Should an on-post credit union refer a prospective borrower to an off-post branch of the same credit union, it will inform the branch that DA requires all credit unions to comply with the Standards of Fairness.

d. DOD personnel may allot pay to a credit union.

(1) Funds deposited by allotment will be credited to member's account not later than the value date of the allotment check or electronic funds transfer.

(2) Pay allotment is never required for loan approval or delivery of funds to credit union member. Voluntary allotments to a credit union continue in force at the pleasure of the member.

4–11. Staffing policies

a. On-post credit unions will provide full service staffed by—

(1) A loan officer authorized to act for the credit committee.

(2) A person authorized to sign checks.

(3) A qualified financial counselor available during operating hours.

b. Director of Finance and Accounting, OASA (FM), may approve exceptions to *a* above for newly organized credit unions.

c. When an on-post credit union can support only minimum staffing, counselor duties may be assumed by *a*(1) or (2) above.

d. When an on-post credit union serves one or more areas of the installation and has direct courier or message service to the main office, a one-person staff is authorized for the extended operation.

e. All staffing will comply with the spirit and intent of the equal employment opportunity (EEO) policies of DOD. (See AR 600–21.)

4–12. Clearance policy

See paragraph 2–15 for clearance policies.

4–13. Financial education

See paragraph 2–16 for financial education policies.

4–14. Operating agreements

An operating agreement will be executed between the installation, garrison, or community commander and the on-post credit union. The agreement will define the basic relations between the credit union and the installation commander. It will spell out mutual support activities such as hours of operation, service fees, and security provided. It will not prescribe internal operations of the credit union. It must conform to this regulation. A copy of the agreement will be sent through command channels to the Director of Finance and Accounting, OASA (FM); the commander and credit union officials will also keep copies. Managers of credit unions on Army installations will—

a. Keep the commander advised of credit union operations.

b. Furnish the commander a copy of the monthly financial report and other local credit union publications.

c. Invite command representatives to annual meetings and other functions.

d. Provide the commander with speakers and material on consumer credit education programs as requested and as resources permit. (See AR 210–7, para 2–10.)

e. Indemnify and hold harmless the U.S. Government from (and against) any loss, expense, claim, or demand to which the Government may be subjected as a result of death, loss, destruction, or damage in conjunction with the use and occupancy of premises in any way caused by agents or employees of the credit union.

f. Maintain the physical security of cash and negotiable items in a manner consistent with the requirements of the credit union's fidelity insurer. A copy of these requirements will be provided to the installation commander on request.

g. Agree that neither DA nor its representatives will be responsible for the financial operation of a credit union or for any expense, loss (including criminal losses), or claim for damages arising from credit union operations.

4–15. Credit union liaison officer (CULO)

When a credit union office is located on an installation, the commander will appoint a CULO. As appropriate, the CULO responsibility should be assigned to comptroller or resource management personnel. The CULO's name and duty telephone number will be conspicuously displayed at each credit union office on the installation. Anyone who serves as a credit union board member or in any other official credit union capacity may not serve as a CULO. The duties of a CULO are the same as the duties listed for a BLO. (See para 2–18.)

Section IV
Overseas Credit Unions

4–16. General policy

The extension of credit union service overseas is encouraged consistent with the principles prescribed for domestic credit unions and with pertinent Status of Forces Agreements and local laws. The final decision to provide credit union services overseas rests with the credit union itself.

4–17. Establishment

a. Commanders will notify the Director of Finance and Accounting, OASA (FM), through command channels when they find a need for credit union services. The request will include—

(1) A statement that they have coordinated with the—

(a) Proper unified or joint command, when appropriate.

(b) U.S. Chief of Diplomatic Mission or the U.S. Embassy.

(2) A statement that it does not conflict with the Status of Forces Agreements or local laws.

(3) Full information about available space and logistical support.

(4) The name and location of the nearest credit union facility or branch.

(5) The distance between the installation and the nearest credit union facility or branch.

(6) The availability of any official or public transportation.

(7) The number of DOD personnel in duty assignments at the installation.

b. The Director of Finance and Accounting, OASA (FM) will be responsible for—

(1) Notifying Federal credit unions operating on DOD installations of the need for an overseas credit union.

(2) Reviewing proposals of interested credit unions.

(3) Coordinating with field commands, as needed.

(4) Recommending selection to NCUA (with copies to DASD (MS)). This recommendation will, if proper, identify—

(a) The primary installation on which the credit union will operate.

(b) The area for future facilities and branches (permanent or mobile outlets).

(5) Completing action according to NCUA response.

(6) Sending copies of correspondence to the DASD (MS).

4–18. Logistical support

a. Space and logistical support for overseas credit unions will comply with this regulation and AR 700–32. The credit union will pay for all improvements to the space given.

b. Office space, janitorial services, utilities (such as electricity, gas, water, and sewage), fixtures, and maintenance will be furnished at no cost to the credit union occupying free space in a Government building. Should a credit union fail to meet the 95 percent membership criterion, any logistic support furnished will be on a reimbursable basis.

c. Other logistical support to overseas credit unions will include—

(1) Military postal service. (See AR 65–1.)

(2) AUTODIN and AUTOVON as approved on a case-by-case basis at a fee.

d. Travel overseas by credit union officials will be at no expense to the U.S. Government. Overseas commanders may issue invitational travel orders for official on-post visits by credit union officials at no cost to the U.S. Government.

4–19. Operations

a. Overseas credit unions will comply with this regulation.

b. An overseas credit union will confine its membership to DOD personnel and their family members and others allowed by law or regulation to receive services and benefits from the Army installation. It may not accept members precluded by inter-Government agreement, host country law, or the credit union's approved field of membership.

c. Overseas credit unions will normally have a prescribed territorial franchise. However, any credit union may continue to serve its members stationed overseas by direct mail.

d. A credit union proposing any new service (for example, share drafts) not authorized by the original agreement will check with the appropriate command. It also will check with the U.S. Chief of Diplomatic Mission or U.S. Embassy to ensure that the service does not conflict with the Status of Forces Agreements or local laws.

e. Credit unions will purchase foreign currency from the servicing MBF at the bulk rate when used for vendor or payroll payments; they will purchase at the accommodation rate when used for resale to individuals per AR 37–103, paragraph 10–16.

f. If military payment certificates are prescribed for the area where an overseas credit union operates, AR 37–103, chapter 15 applies.

g. Credit unions may not lend money to buy real property or to build or buy a home outside the United States, its territories and possessions, or the Commonwealth of Puerto Rico.

h. NCUA, where applicable, will guide and direct CONUS credit union facilities and branches through its rules, regulations, procedures, forms, reports, and manuals (including the Board of Directors Manual for Federal Credit Unions).

i. Overseas credit unions will invest and deposit funds as required by NCUA; they will favor military banks when available.

j. NCUA will review operations of overseas credit union facilities and branches either when it examines the main credit union or at other times of its choosing.

(Credit union letterhead)

Certificate of Compliance

I, *(name),* general manager of the *(credit union),* located at *(place),* certify that this credit union complies with the requirements of the Federal Credit Union Act, section 124 (12 USC 1770), for the allotment of space in Federal buildings without charge for rent or services. At least 95 percent of the *(credit union and branch)* membership is composed of persons who are now, or were when they joined this credit union, military personnel or Federal employees, or members of their families.

(Date)

(Name)
(President of the board of directors or general manager)
(Name of credit union)

(Location of credit union)

Figure 4–1. Format for a Certificate of Compliance

Appendix A
References

Section I
Required Publications

AR 37–60
Pricing for Materiel and Services. (Cited in para 2–8*b*.)

AR 37–103
Finance and Accounting for Installations Disbursing Operations. (Cited in paras 4–19*e* and *f*.)

AR 210–7
Commercial Solicitation on Army Installations. (Cited in paras 2–16*a* and 4–14*d*.)

AR 340–17
Release of Information and Records from Army Files. (Cited in para B–1*d*.)

AR 340–21
The Army Privacy Program. (Cited in para B–1*d*.)

AR 405–80
Granting Use of Real Estate. (Cited in paras 2–4, 4–3*b*, and 4–8*d*.)

AR 415–10
Military Construction—General. (Cited in paras 2–4, 3–3*a*(1)(e), and 4–3*a*.)

AR 415–19
Nonappropriated Funded Construction Project Development and Approval. (Cited in paras 2–11 *e*, and *h*.)

AR 600–15
Indebtedness of Military Personnel. (Cited in paras 2–8*a* and 2–13*f*.)

AR 600–21
Equal Opportunity Program in the Army. (Cited in para 4–11*e*.)

AR 600–50
Standards of Conduct for Department of the Army Personnel. (Cited in para 1–4*f*(6).)

AR 630–5
Leave and Passes. (Cited in para 1–4*f*(6).)

AR 700–32
Logistic Support of United States Nongovernmental, Nonmilitary Agencies and Individuals in Oversea Military Commands. (Cited in paras 2–4, 3–3*a*(1)(d), and 4–18*a*.)

Civilian Personnel Manual Supplement 990–2.
(Cited in para 1–4*f*(6).)

DOD 4270.1–M
Construction Criteria Manual. (Cited in paras 2–5*e*(1), 2–6*b*(2), 2–11*c*, 2–11*g*(10), 3–3*a*(1)(a), 4–3*a*, and 4–3*b*.)

FAR
Federal Acquisition Regulations. (Cited in para 1–4*a*(5).)

Section II
Related Publication

A related publication is merely a source of additional information. The user does not have to read it to understand the regulation.

DOD Privacy Board Advisory Memorandum No. 15

Appendix B
Guidelines for Application of the Privacy Act to Financial Institution Operations

B–1. The following U.S. Department of the Treasury—U.S. Department of Defense guidelines govern the application of the Privacy Act (section 552, title 5, United States Code (5 USC 552)) to the financial institutions that operate under this regulation.

a. Financial institution facilities and their branches operating on Army installations do not fall within the purview of the Privacy Act. Such financial institutions do not fit the definition of "agency" to which the Act applies: "any executive department, military department, Government corporation, Government-controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or an independent regulatory agency" ((5 USC 552(e) and 552a(a)(1)). Nor are they "Government contractors" as they do not operate a system of records on behalf of an agency "to accomplish an agency function." According to the Office of Management and Budget Guidelines for Privacy Act implementation, the provision relating to Government contractors applies only to systems of records "actually taking the place of a Federal system which, but for the contract, would have been performed by an agency and covered by the Privacy Act." Clearly, the subject institutions do not meet these criteria. Since the Act does not apply to them, such institutions are not required to comply with 5 USC 552a(e)(3) when obtaining and making use of personal information in their relationships with personnel authorized to use such facilities.

(1) Thus, such institutions are not required to inform individuals from whom information is requested concerning one or more of the following:

(a) Authority for its solicitation.

(b) Principal purpose for which it is intended to be used.

(c) Routine uses which may be made of it.

(d) Effect of not providing the information.

(2) Also, no requirement exists to post information of this kind at financial institutions on Army installations.

b. The financial institutions concerned hold the same position and relationship to their customers and to the Government as they did before enactment of the Privacy Act. Within their usual business relationships, they are still responsible for safeguarding the information provided by their clients and for obtaining only such information as is necessary to conduct business. This includes credit information and proper identification, such as SSN, as a precondition for cashing checks.

c. Financial institutions may incorporate the following conditions of disclosure of personal information in all contracts, including loan agreements, savings and transaction account signature cards, certificate of deposit agreements, and any other agreements signed by their customers: "I hereby authorize the Department of Defense and its various departments and commands to verify my social security number or other identifier and disclose my home address to authorized (name of financial institution) officials so that they may contact me in connection with my financial business with (name of financial institution). All information furnished will be used solely in connection with my financial relationship with (name of financial institution)." When the financial institution presents such signed authorizations, the commands or installations will provide the appropriate information.

d. Even though the agreement described in *c* above has not been obtained, DOD may provide financial institutions with salary information. If pertinent, DOD may also give the length or type of civilian or military appointment consistent with the Privacy Act and Freedom of Information Act. (See AR 340–17 and AR 340–21.) Examples of personal information pertaining to DOD personnel that can normally be released without the creation of an unwarranted invasion of personal privacy are name, rank, date of rank, salary, present and past duty assignments, future assignments that have been confirmed, office telephone number, source of commission, and promotion sequence number. (DOD Privacy Board Advisory Memorandum No. 15 contains guidelines for the release of information on personnel assigned to sensitive, overseas, or routinely deployable units.)

e. If a DOD member or employee with a financial obligation is reasssigned and fails to inform a financial institution of his or her whereabouts, locator assistance of the individual's last known commander or supervisor at the official position or duty station will be sought. That commander or supervisor will either furnish the individual's new

official duty location address to the requester (if not in contravention with DOD Privacy Board Memorandum No. 15) or send, through official channels, any related correspondence received to the individual's new commander or supervisor for appropriate assistance and response. Correspondence addressed to the individual concerned at his or her last official place of business or duty station is sent as provided by postal regulations to the new location. The individual may choose not to respond. Once an individual's affiliation with DOD is terminated through separation or retirement, the locator assistance that DOD may render in the disclosure of the home address is limited unless disclosure is in the public interest. The Army may send correspondence to the individual's last known home address. The individual may choose not to respond. The Army will not act as an intermediary for private matters concerning former DOD personnel who are not longer with the Army.

B–2. Questions concerning this guidance should be sent through command channels to the Director of Finance and Accounting, OASA (FM), for transmittal to the DASD (MS), OASD (C), WASH DC 20301–1100.

Glossary

Section I
Abbreviations

ACO
administrative contracting officer

ARNG
Army National Guard

ASA (FM)
Assistant Secretary of the Army (Financial Management)

ASA (I&L)
Assistant Secretary of the Army (Installations and Logistics)

ASD (A&L)
Assistant Secretary of Defense (Acquisition and Logistics)

ASD (C)
Assistant Secretary of Defense (Comptroller)

ASD (FM&P)
Assistant Secretary of Defense (Force Management and Personnel)

ATM
automated teller machine

AUTODIN
automatic digital network

AUTOVON
automatic voice network

BLO
banking liaison officer

CONUS
continental United States

CULO
credit union liaison officer

DA
Department of the Army

DASD (MS)
Deputy Assistant Secretary of Defense (Manpower Systems)

DOD
Department of Defense

DSAA
Defense Security Assistance Agency

EEO
equal employment opportunity

FAO
finance and accounting officer

FAR
Federal Acquisition Regulation

FDIC
Federal Deposit Insurance Corporation

FSLIC
Federal Savings and Loan Insurance Corporation

GSA
General Services Administration

MACOM
major Army command

MBF
military banking facility

NCUA
National Credit Union Administration

OASA (FM)
Office, Assistant Secretary of the Army (Financial Management)

PIN
personal identification number

SSN
social security number

TGA
Treasury General Account

USAFAC
U.S. Army Finance and Accounting Center

USAR
U.S. Army Reserve

Section II
Terms

Automated teller machine
An electronic machine that dispenses cash, accepts deposits, and transfers funds among a customer's various accounts. Equipment is usually activated by a plastic debit card in combination with push buttons and a personal identification number. The ATM is also known as a customer-bank communication terminal. Shared access to ATMs refers to the customer's ability to use the ATMs of more than one cooperating institution.

Banking facility
A banking office located on a DOD installation and operated by a banking institution that the Treasury has specifically authorized under its designation as a depositary and financial agent of the U.S. Government to provide certain banking services at the installation. Such offices may be either self-sustaining or nonself-sustaining. This is also known as a military banking facility.

Banking institution
The organization that is chartered to operate the banking office on a DOD installation. The term also includes savings and loan associations as defined herein.

Banking liaison officer or credit union liaison officer
A commissioned officer or DOD civilian employee of equivalent grade appointed by an installation (military community) commander to work with officials of the servicing financial institution and its clients. A noncommissioned officer may be appointed if he or she is the senior financial management official at the installation.

Banking office
A banking facility, branch bank, or independent bank operated by a banking institution on a DOD installation. Also, includes savings and loan associations and their branches operated on a DOD installation.

Branch bank
A separate unit chartered to operate at an on-post location geographically remote from its parent banking institution.

Credit union
A cooperative nonprofit association incorporated under the Federal Credit Union Act (12 USC 1751) or similar State statute for the purposes of encouraging thrift among its members and creating a source of credit a a fair and reasonable rate of interest.

Credit union branch
A subsidiary office of an existing full-service credit union.

Credit union facility
A facility employing a communications system with the parent credit union to conduct business at remote locations where a full-service credit union or credit union branch is impractical. Credit union facilities need not provide cash transaction services but must disburse loans and shares by check or draft and provide competent financial counseling during normal working hours.

Defense credit union
A State or federally chartered credit union with a field of membership composed primarily of DOD personnel.

Discrimination
Any differential treatment in provision of services, including loan services, by a financial institution to DOD personnel and their dependents on the basis of race, color, religion, national origin, sex, marital status, age, rank, or grade. However, if uniformly applied, the amount of credit extended may be directly based on an applicant's total income.

DOD personnel
All military personnel; civil service employees; other civilian employees, including special Government employees of all offices, agencies, departments, and nonappropriated fund instrumentalities performing functions on a DOD installation; and their dependents. On domestic DOD installations, retired U.S. military personnel and their dependents are included.

Domestic DOD installation
A military installation located within a State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

Fair market rental
A reasonable charge for on-post land, buildings, or building space (that is, real property). Rental is determined by a Government appraisal based on comparable properties in the local civilian economy. However, the appraiser will consider that on-post property may not always be comparable to similar property in the local commercial geographic area. Examples of circumstances that may affect fair market rental include limitations of usage and access to the financial institution by persons other than those on the installation, proximity to the community center or installation business district, and the Government's right to terminate the lease or take title to improvements constructed at the financial institution's expense.

Federal credit union
A credit union established and operated under authority granted by the Federal Credit Union Act (12 USC 1751) and chartered, supervised, and periodically examined by the NCUA.

Field of membership
The group of people entitled to credit union membership because of a common bond of occupation; association; employment; or residence within a well-defined neighborhood, community, or rural district. The field of membership is defined in the credit union's charter by the Federal or State regulatory agency.

Financial institution
A term that encompasses any banking institution, credit union, and subordinate office or facility, each of which is separately defined herein.

Financial services
Those services commonly associated with financial institutions in the United States such as checking, share, and savings accounts; fund transfers; sales of official checks, money orders, and travelers checks; loan services; safe deposit boxes; trust services; sale and redemption of U.S. savings bonds; and acceptance of utility payments.

Full-service credit union
A credit union that provides normal counter transaction services and is staffed with a loan officer, a person authorized to sign checks, and a qualified financial counselor.

Full-time banking facility
A banking facility that operates at least 5 days a week.

Independent bank
A bank specifically chartered to operate on a DOD installation whose directors and officers usually come from the local business and professional community. Such operations are thus differentiated from county-wide or State-wide branch systems consisting of a head office and one or more geographically separate branch offices.

Malpractice
Any unreasonable lack of skill or fidelity in fiduciary duties or the intentional violation of an applicable law or regulation or both that governs the operations of the financial institution. A violation will be considered intentional if the responsible officials know that an action or inaction violated a law or regulation.

Military banking facility
A banking office located on an Army installation and operated by a banking institution that, under its designation as a depositary and financial agent of the U.S. Government, has been specifically authorized by the Department of the Treasury to provide certain banking services at the installation. Also known as a banking facility.

National bank
An association approved and chartered by the Comptroller of the Currency to operate a banking business.

On-post
Physical presence on a domestic or overseas DOD installation.

Operating agreement
A mutual agreement between the DOD installation commander and on-post financial institutions regarding their relationships.

Overseas DOD installation
A military installation (or community) located outside the States of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

Part-time banking facility
A banking facility that operates fewer than 5 days a week exclusive of additional payday service. When only payday service is provided, the banking facility may be termed a "payday service facility."

Regulatory agency
Includes the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Federal Home Loan Bank Board; the several Federal Reserve Banks and the Board of Governors of the Federal Reserve System; The National Credit Union Administration; the various State agencies and commissions that oversee financial institutions; and, for banking facilities, the Fiscal Assistant Secretary of the Treasury.

Savings association
A State or federally chartered mutual or stock savings institution including savings and loan associations, building and loan associations, homestead associations, and savings banks.

Share draft
A negotiable or nonnegotiable draft or other order prepared by a credit union member and used to withdraw shares from a share draft account, normally through the commercial banking system.

State bank
An institution organized and chartered under the laws of a State of the United States to operate a banking business within that State.

State credit union
An institution that is organized and chartered under the laws of a State of the United States that operates under the same general principles as a Federal credit union and is supervised and examined by a State regulatory agency or commission.

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