SUBJECT: Armed Services Commissary Operations

References: See Enclosure 1

1. PURPOSE. This Instruction reissues DoD Directive 1330.17 and DoD 1330.17-R (References (a) and (b)) as a DoD Instruction in accordance with the authority in DoD Directive 5124.02 (Reference (c)) to prescribe policy, assign responsibilities, and set procedures for operating the Defense commissary system.

2. APPLICABILITY. This Instruction applies to:

   a. OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the “DoD Components”). The term “Armed Services,” as used herein, refers to the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard.

   b. The Commissioned Corps of the U.S. Public Health Service and the National Oceanic and Atmospheric Administration, under agreements with the Departments of Health and Human Services and Commerce only if the Departments have agreed.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

   a. The commissary program is an integral element of the military pay and benefits package for Active Duty personnel. An income benefit is provided through savings on purchases of food and household items necessary to subsist and maintain the household of the military member for the inclusive period of compensated duty or service. Per section 2481(b) of title 10, United States Code (U.S.C.) (Reference (d)), the Defense commissary system enhances the quality of
life of members of the uniformed services, retired members, and their dependents and supports military readiness, recruitment, and retention. Per DoD Directive 5105.55 (Reference (e)), the Defense Commissary Agency (DeCA) provides a worldwide system of commissary stores.

b. Only authorized patrons are granted commissary privileges.

c. Per section 2482(a) of Reference (d), the needs of members of the armed forces on Active Duty and the needs of dependents of such members shall be the primary consideration whenever the Secretary of Defense assesses the need to establish a commissary store. Commissary stores may be established and maintained at installations and locations that have an Active Duty mission and significant Active Duty populations. As a general rule, commissary operations are discontinued when an installation is completely closed and no Active Duty or Reserve Component personnel remain on the installation.

d. Under section 2484 of Reference (d), the commissary system may sell merchandise similar to that sold in commercial grocery stores.

e. Under section 2483 of Reference (d), appropriations shall fund the DeCA and the Defense commissary system operating costs. Amounts appropriated for the operation of DeCA and the Defense commissary system may be supplemented with funds from manufacturers’ coupon redemption fees, handling fees for tobacco products, and other amounts received as reimbursement for support activities provided by commissary activities.

f. Under section 2484(h) of Reference (d), Commissary Trust Revolving Funds shall be used for the costs specified. Revenues received from the following sources shall be accounted for as “Commissary Trust Revolving Funds,” and shall not be merged with stock funds or other appropriated funds in the accounting records: the surcharge applied to commissary sales, the sale of recyclable materials, sale of excess and surplus property, license fees, royalties, business related management fees, amounts received for commercially valuable information, charges received for the collection of dishonored checks, discounts earned, restitution ordered for the theft or damage of commissary goods, and from such other sources as may be authorized by law.

5. RESPONSIBILITIES. See Enclosure 2.

6. PROCEDURES. See Enclosures 3 through 8 for operational procedures and requirements.

7. INFORMATION REQUIREMENTS

a. The annual “Overseas Commissaries and Exchange Stores-Access and Purchase Restrictions Report” referred to at Enclosure 2 paragraph 5(b), has been assigned Report Control Symbol DD-P&R(A&AR)2150 in accordance with DoD 8910.1-M (Reference (f)).
b. The annual “Deviations, Waivers, Exceptions and the Justifications for Them” referred to at Enclosure 2 paragraph 4(d) has been assigned Report Control Symbol DD-P&R(A) 1096 in accordance with Reference (f).

c. The annual “Annual Commissary Assessment” referred to in Enclosure 5, paragraph 4.a, has been assigned Report Control Symbol DD-P&R(A)1187 in accordance with Reference (f).

8. RELEASABILITY. UNLIMITED. This Instruction is approved for public release. Copies may be obtained through the Internet from the DoD Issuances Web Site at http://www.dtic.mil/whs/directives.

9. EFFECTIVE DATE. This Instruction is effective immediately.

Enclosures
1. References
2. Responsibilities
3. Procedures
4. Patrons and Identification
5. Commissary and Combined Store Criteria
6. Authorized Resale Items
7. Operations and Funding
8. Defense Commissary Agency (DeCA) Board of Directors
Glossary
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>REFERENCES</td>
<td>5</td>
</tr>
<tr>
<td>RESPONSIBILITIES</td>
<td>6</td>
</tr>
<tr>
<td>PROCEDURES</td>
<td>11</td>
</tr>
<tr>
<td>ACQUISITION</td>
<td>11</td>
</tr>
<tr>
<td>PURCHASE RESTRICTIONS</td>
<td>11</td>
</tr>
<tr>
<td>SALES PRICING AND SURCHARGE ASSESSMENT</td>
<td>11</td>
</tr>
<tr>
<td>COMMISSARY FACILITIES</td>
<td>12</td>
</tr>
<tr>
<td>DECA PERFORMANCE</td>
<td>12</td>
</tr>
<tr>
<td>COMMISSARY OPERATIONS</td>
<td>12</td>
</tr>
<tr>
<td>- Savings</td>
<td>12</td>
</tr>
<tr>
<td>- Customer Satisfaction</td>
<td>12</td>
</tr>
<tr>
<td>- Private Operation of Commissaries</td>
<td>13</td>
</tr>
<tr>
<td>ADVERTISING</td>
<td>13</td>
</tr>
<tr>
<td>AUDITS AND INSPECTIONS</td>
<td>13</td>
</tr>
<tr>
<td>PATRONS AND IDENTIFICATION</td>
<td>14</td>
</tr>
<tr>
<td>COMMISSARY AND COMBINED STORE CRITERIA</td>
<td>19</td>
</tr>
<tr>
<td>ANNUAL COMMISSARY ASSESSMENT</td>
<td>24</td>
</tr>
<tr>
<td>AUTHORIZED RESALE ITEMS</td>
<td>26</td>
</tr>
<tr>
<td>OPERATIONS AND FUNDING</td>
<td>29</td>
</tr>
<tr>
<td>DEFENSE COMMISSARY AGENCY (DeCA) BOARD OF DIRECTORS</td>
<td>36</td>
</tr>
<tr>
<td>GLOSSARY</td>
<td>41</td>
</tr>
<tr>
<td>ABBREVIATIONS AND ACRONYMS</td>
<td>41</td>
</tr>
<tr>
<td>DEFINITIONS</td>
<td>41</td>
</tr>
</tbody>
</table>
ENCLOSURE 1

REFERENCES

(b) DoD 1330.17-R, “Armed Services Commissary Regulations (ASCR),” April 1987 (hereby canceled)
(d) Title 10, United States Code
(g) Title 41, Code of Federal Regulations, Part 302 and 303, “Public Contracts and Property Management”
(h) DoD Instruction 7700.18, “Commissary Surcharge, Nonappropriated Fund (NAF), and Privately Financed Construction Reporting Procedures,” December 15, 2004
(i) DoD 5500.7-R, “Joint Ethics Regulation,” August 1993
(k) DoD Instruction 7600.02, “Audit Policies,” April 27, 2007
(l) DoD Instruction 4000.19, “Interservice and Intragovernmental Support,” August 9, 1995
(n) DoD Instruction 1000.13, “Identification (ID) Cards for Members of the Uniformed Services, Their Dependents, and Other Eligible Individuals,” December 5, 1997
(p) DoD Instruction 1330.09, “Armed Services Exchange Policy,” December 7, 2005
(q) DoD Instruction 1330.21, “Armed Services Exchange Regulations,” July 14, 2005
(t) Section 403 (6) of title 41, United States Code
(u) Joint Publication 1-02, “DoD Dictionary of Military and Associated Terms,” as amended
(x) Section 754a of title 33, United States Code
ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL & READINESS (USD(P&R)). The USD(P&R) is the DoD civilian officer assigned responsibility for the overall supervision of DeCA per Reference (e).

2. PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE FOR PERSONNEL & READINESS (PDUSD(P&R)). The PDUSD(P&R), under the authority, direction, and control of the USD(P&R), shall:

   a. Serve as the principal point of contact for all commissary matters within the Department of Defense.

   b. Develop uniform DoD policy and guidance to ensure proper administration and management of commissary programs and monitor compliance thereof as prescribed in Enclosure 2, paragraph 2.

   c. Chair the DoD Executive Resale Board.

   d. Exercise the authority of the USD(P&R) concerning the DeCA Board and its Chair, DeCA, and the commissary benefit.

   e. Develop policies and oversee the following aspects of the operation of the commissary system:

      (1) Authorizing who may use commissary;

      (2) Authorizing the commissary stock assortment and notifying Congress of the addition or removal of items;

      (3) Funding and operations, providing fiscal guidance and policy direction, and approving the submission of the annual DeCA budget to the Under Secretary of Defense (Comptroller)/DoD Chief Financial Officer (USD(C)/DoD CFO);

      (4) Pricing and surcharge;

      (5) Commissary establishment, continuance, and disestablishment;

      (6) Reporting and preparing the “Annual Commissary Assessment Report” and approving the “Annual Commissary Assessment Report”;

      (7) Approval of the submission of the annual performance plan; and
(8) Approval of the strategic plan.

3. **USD(C)/DoD CFO.** The USD(C)/DoD CFO shall advise the USD(P&R) per Reference (e) on accounting, budgeting, funding, and pricing policy for commissaries.

4. **SECRETARIES OF THE MILITARY DEPARTMENTS.** The Secretaries of the Military Departments:

   a. Shall comply with, and implement, the provisions of this Instruction.

   b. May grant deviations to specifically authorize limited commissary privileges to:

      (1) Civilian employees of the Department of Defense who reside on an installation within the United States when it is impractical for the civilian employee to procure such commissary supplies from civilian sources and the authorization will not impair the efficient operations of the installation. Privileges shall not include the purchase of tobacco products in those States, including the District of Columbia, that impose a tax on such products.

      (2) U.S. non-governmental organizations, firms under contract to the Department of Defense, and their employees (and dependents of their household) stationed outside the United States, and outside the U.S. Territories and Possessions may be authorized commissary store support on a reimbursable basis, provided that all of the following criteria are met: such agencies and individuals are serving the U.S. Armed Services exclusively; it has been determined that the granting of the privilege would be in the best interest of the United States; and when failure to grant such privilege would impair the efficient operation of the Department of Defense.

      (3) Individual or classes/groups of employees of firms under contract to the U.S. Government serving in the U.S. Territories and Possessions (and their dependents), provided that all of the following criteria are met: (a) the employee exclusively serves the Department of Defense and was hired in the 50 States, the District of Columbia, or a U.S. Territory or Possession other than the one to which the employee is assigned; (b) due to specific difficulties faced by the employee to obtain services from civilian or other Federal agencies, such as unhealthful conditions, hostile or imminent danger, or extraordinarily difficult living conditions, granting commissary and/or exchange privileges is in the best interest of the U.S. Government; and (c) the denial of privileges would impair efficient DoD operations. The Secretaries of the Military Departments may redelegate this authority in writing, but not below the installation commander concerned.

   c. The Secretaries of the Military Departments and/or the Commanders of the Combatant Commands may grant deviations, and installation commanders may execute implementing official support agreements with other U.S. Government entities, to permit commissary access for non-DoD U.S. Federal employees serving in the U.S. Territories and Possessions provided
that all the following criteria are met: (a) the employee is assigned under a service agreement, as defined in title 41, section 302-2.12 of the Code of Federal Regulations (CFR) per Reference (g), or a tour renewal agreement (see 41 C.F.R. 302-3.209, et seq.); (b) granting access will alleviate individual hardship due to extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions; and (c) granting access will fit into and support a web of security precautions essential to ensure the safety and security of the individual employee who is subject to current and specific threat conditions, such as hostile or imminent danger. Delegation of this authority outside the Military Department Secretariat or Combatant Command Headquarters concerned is prohibited.

d. The Secretaries of the Military Departments and the Commanders of the Combatant Commands shall submit a report to the PDUSD(P&R), listing all deviations, waivers, exceptions and the justifications for them, due annually by June 30.

e. May prescribe purchase limitations on the sale of any particular item of commissary merchandise in the United States, its Territories and Possessions, installations, or in other facilities under their respective jurisdictions. Quantity or other restrictions may not discriminate among the various categories of patrons, and shall be consistent with the purpose of the commissaries to provide reasonable access for authorized patrons to purchase merchandise items.

f. Shall submit requests to establish a commissary to the Chair, DeCA Board of Directors.

5. COMMANDERS OF THE COMBATANT COMMANDS: The Commanders of Combatant Commands, in addition to the responsibilities in paragraphs 4.c and 4.d:

a. May establish restrictions on merchandise purchased by authorized patrons in commissaries outside of the United States and its Territories and Possessions, located in the Commander’s geographic area of responsibility, if necessary to prevent the resale of merchandise in violation of treaties of the United States or host-nation laws (to the extent such laws are not inconsistent with U.S. laws).

b. Not later than August 1st of each year, through the Chairman of the Joint Chiefs of Staff, shall submit to the PDUSD(P&R) an annual report describing the host-nation laws and the treaty obligations of the United States, and the conditions within host nations, that necessitate the use of quantity or other restrictions on purchases in commissary stores located outside the United States and its Territories and Possessions. Negative reports are required. If there are changes, the PDUSD(P&R) shall notify Congress within 120 days of receipts of the reports.

6. DIRECTOR, DeCA. The Director, DeCA, under the authority, direction, and control of the USD(P&R) shall:
a. Report and be held accountable to the Board, and be held accountable to the USD(P&R) through the Board for direct day-to-day operations of DeCA and the commissary system per Reference (e).

b. Provide an annual report through the Board for PDUSD(P&R) approval on commissary operations and plans.

c. Provide agency-level performance updates to the Board.

d. Develop the annual construction and capital investment programs for Board submission to the PDUSD(P&R).

e. Establish and implement standard commissary operational procedures.

f. Deliver a consistent commissary benefit across the Armed Services.

g. Develop corporate plans, goals, and objectives for DeCA for Board submission for PDUSD(P&R) approval.

h. Develop funding requirements and budget submissions for Board submission for PDUSD(P&R) approval.

i. Perform an annual assessment of commissary stores for Board submission for PDUSD(P&R) approval.

j. Continually improve the commissary benefit through efficient and effective operation of DeCA, while monitoring emerging industry trends consistent with quality of life principles.

k. Implement guidance issued by the USD(P&R) and PDUSD(P&R) and directions issued by the Board.

l. Regularly attend meetings of the Board and the Executive Committee of the Board.

m. Authorize deviations from procedures only in cases of emergency and where such deviation does not violate statute, treaty, other international agreement, or policies prescribed in section 4 of this Instruction. Such deviations shall be effective only until the emergency ends, or until a proposed amendment can be submitted to the PDUSD(P&R) for consideration. A report of any deviation shall be furnished to the PDUSD(P&R) and to the Military Department concerned within 30 days.

7. DoD DeCA BOARD OF DIRECTORS. Pursuant to section 2485 of Reference (d), the DoD DeCA Board of Directors (“the Board”) is a permanent governing board for the commissary system, responsible for providing advice to the USD(P&R) through the PDUSD(P&R) regarding the prudent operation of the commissary system and to assist in the overall supervision of DeCA. The Board will strengthen the commissary benefit by making resource and capital development
decisions, as well as long-range planning decisions that respond to the needs of military personnel and their families. Membership and responsibilities of the Board are listed at Enclosure 8.

8. DoD EXECUTIVE RESALE BOARD. Pursuant to section 2481 of Reference (d), the DoD Executive Resale Board shall provide advice to the PDUSD(P&R) on the complementary operation of the Defense commissary system and the Armed Services exchange system. The Board shall review, not less than annually, the resale information system standards, joint or combined commissary and exchange store operations, joint construction projects, commissary and exchange cooperative efforts, and merchandise, goods and services authorized for sale. The Board shall also work to resolve disagreements between elements of the military resale system.
ENCLOSURE 3

PROCEDURES

1. **ACQUISITION.** Procurement practices shall promote the lowest possible pricing. Per sections 2304(c)(5) and 2484(f) of Reference (d), the Director, DeCA, may use other than competitive procedures to procure a brand-name commercial item that is regularly sold under the same brand name on a regional or national basis by commercial grocery or retail chain stores. Commercial convenience stores are not considered retail chains for the purposes of section 2484(f) of Reference (d).

2. **PURCHASE RESTRICTIONS.** Restrictions may be established on merchandise purchased by authorized patrons per Enclosure 2 paragraph 5.a. Authorized personnel shall not sell or give away commissary purchases to individuals or groups not entitled to commissary privileges. Personnel are prohibited from using commissary purchases to support a private business. These prohibitions do not apply to food served guests of authorized personnel, to limited and occasional bona fide gifts to friends or family members, or to limited and reasonable donation to charitable organizations. Violations of these restrictions shall provide a basis for suspension of commissary privileges or permanent revocation of commissary privileges by the installation commander concerned. In addition, disciplinary action may be taken against the individual if the violation(s) warrant such action, under the Uniform Code of Military Justice, Civil Service, or other pertinent regulations or agreements by the installation commander concerned or other appropriate commander.

3. **SALES PRICING AND SURCHARGE ASSESSMENT.** A single, uniform pricing method shall be used in the Defense commissary system. The sales price of each item of merchandise and services sold in, at, or by commissary stores shall recoup: the actual product cost of the item, first destination commercial transportation of the merchandise in the United States to the place of sale, and the actual or estimated cost of shrinkage, spoilage, and pilferage of merchandise under the control of the commissary. Pursuant to section 2484(d) of Reference (d), a 5 percent surcharge shall be applied to the sales price of each item. The surcharge will be assessed at the point of sale on all items purchased. Any change in the pricing policies shall not take effect until the PDUSD(P&R) submits written notice to Congress and a period of 90 days of continuous session of Congress expires.

   a. Except for tobacco products discussed in Enclosure 3 paragraph 3.b., the pricing and surcharge assessment shall not apply to the pricing of an item when a military exchange serves as the vendor of a merchandise item.

   b. When an Armed Service exchange serves as the vendor of a merchandise item, including tobacco products, the commissary and exchange prices shall be comparable for such items and the pricing and surcharge requirements at sections 2484(d) and 2484(e) of Reference (d) shall not apply. When the actual cost of procuring the merchandise by the exchange is not readily
identifiable, DeCA and the applicable exchange service will jointly determine the amount over the product’s actual acquisition cost that will be allocated as the “cost of procurement.” The sales price of a product by an exchange to DeCA shall be the product's actual cost plus the “cost of procurement.” Any revenues above the cost of the product to DeCA and the selling price shall be treated as a uniform sales price surcharge and deposited in the Commissary Trust Revolving Fund account.

4. **COMMISSARY FACILITIES.** Facilities shall be designed and operated under standards similar to commercial food stores. The needs of Active Duty members and their dependents shall be the primary consideration when designing and locating a commissary store. In determining the size of a commissary store, the number of authorized patrons who are likely to use the store shall be considered. Facilities shall be funded and construction projects and capital asset obligations shall be reported and approved as prescribed in DoD Instruction 7700.18 (Reference (h)). DeCA may enter into contracts or agreements with one or more nonappropriated fund instrumentalities (NAFIs) of the United States for construction of a shopping mall or similar facility for a commissary store. Surcharge collections shall be used to reimburse the NAFI for the commissary portion of the cost of the contract or to pay the contractor directly.

5. **DECA PERFORMANCE.** DeCA shall maintain a strategic plan and balanced scorecard, reviewed by the DeCA Board of Directors, and approved by the USD(P&R), which shall address sales, operating costs, surcharge obligations, customer savings, customer satisfaction, facilities condition, workforce, and management initiatives. The performance plan shall be measured against pre-determined benchmarks, which include industry standards. The DeCA Board of Directors shall semi-annually review and report to the USD(P&R) on DeCA’s performance in achieving the goals and objectives set forth in those plans. The USD(P&R) shall submit information on customer satisfaction and performance data to the Committees on Armed Services of the U.S. Senate and the U.S. House of Representatives.

6. **COMMISSARY OPERATIONS.** Except as outlined in Enclosure 3 paragraphs 6.c and 6.d, commissary activities may be operated directly by DeCA, or operated by private entities, including concessions. Operating procedures are found at Enclosure 7.

   a. **Savings.** DeCA shall maintain 30 percent average savings on commissary purchases as compared to the commercial stores in the United States. DeCA shall annually track savings by using an annual price comparison assessment conducted in accordance with standard industry practices. Price surveys shall follow the procedures at Enclosure 7. The survey results shall be provided to the Per Diem, Travel and Transportation Allowance Committee (PDTATAC) for use in the calculations of the Cost of Living Allowance (COLA).

   b. **Customer Satisfaction.** DeCA shall annually assess customer satisfaction and evaluate products and services for individual stores. Customer satisfaction shall be indexed to the grocery industry.
c. **Private Operation of Commissaries.** Under section 2485(a) of Reference (d), private entities may not perform functions relating to procuring products sold in a commissary store, the overall management of the commissary system, or the management of a commissary store. DoD personnel shall carry out such functions. The Director, DeCA, shall notify the PDUSD(P&R) of any change to private operation of a commissary store function that is being performed by more than 10 Department of Defense civilian employees. Such change shall not take effect until the end of the 75-day period beginning on the date on which the PDUSD(P&R) submits to Congress written notice of the change.

d. **Combined Exchange and Commissary Stores.** Under section 2488 of Reference (d), the PDUSD(P&R) may authorize an Armed Service exchange to operate a combined exchange and commissary store in cases of Base Realignment and Closure (BRAC) actions or where independent commissary and exchange operations are not economically feasible. A recommendation to create a combined store shall be based on the specific criteria set forth in Enclosure 5. NEXMART stores of the Navy Exchange Service Command established before October 1, 2003, shall be operated under the procedures at Enclosure 7. Subject to approval by the USD(P&R) and the USD(C)/DoD CFO, goods, supplies, facilities of, and funds appropriated for DeCA or any other agency of the Department of Defense, that support the operation of the commissary system, may be transferred to a NAFI for the operation of a commissary store.

e. **Separation of the Defense Commissary System and the Exchange System.** The Defense commissary system and the exchange system shall be operated as separate systems of the Department of Defense. DeCA and Armed Services Exchange operations shall complement one another. DeCA and the Armed Services Exchanges shall achieve the full interchange of data between the resale activities to provide improved patron service while preserving both the commissary and the exchange benefits.

7. **ADVERTISING.** Advertising by DoD activities of sales and savings to commissary shoppers shall be restricted to posters and handouts within the commissary store and other on-base locations and those delivered directly to authorized patrons. Appropriated funds shall not be used to fund any form of direct commissary advertising. Web sites administered by DeCA shall comply with DoD 5500.7-R (Reference (i)) and DoD Web Site Administration Policies and Procedures (Reference (j)).

8. **AUDITS AND INSPECTIONS.** Audits and inspections shall conform to DoD Instruction 7600.02, (Reference (k)).
1. AUTHORIZED COMMISSARY PATRONS. This section lists the individuals, organizations, and activities entitled to unlimited commissary privileges, except when prohibited by treaty or other international agreements in foreign countries. The compensation status of the military member is the primary determinant of commissary privileges, or in the case of family members, the sponsor’s compensation status.

   a. Uniformed Personnel. Members of the Uniformed Services, members of the Reserve components, and cadets and midshipmen of the Armed Services Academies.


   c. Retired Personnel. Defined in the Glossary – Part II.

   d. Medal of Honor Recipients.

   e. 100 Percent Disabled Veterans. Honorably discharged veterans of the Uniformed Services classified by the Department of Veterans Affairs as having a 100 percent Service-connected disability.

   f. Authorized Family Members. Defined in the Glossary – Part II.

   g. DoD Civilian Employees Stationed Outside the United States and Outside the U.S. Territories and Possessions. DoD civilian employees (and the authorized family members of their household) stationed outside the United States and U.S. Territories and Possessions.

   h. Official DoD and Armed Forces Organizations and Activities. Official organizations and other resale activities of the U.S. Armed Forces (except concessionaires) that are operated for uniformed personnel on active duty. Sales to organizations and resale activities of the U.S. Armed Forces or other authorized agencies will be paid by government credit card. In the event of a major disaster or emergency, organizations and resale activities may be on a charge sales basis with accounts payable at least monthly, as determined by the Secretary of the Military Department concerned. Sales to appropriated fund organizations are encouraged when it is economically beneficial to the U.S. Government.

   i. Involuntarily Separated Uniformed Personnel. As defined in section 1146 of Reference (d), this category includes: (1) a member of the armed forces who is involuntarily separated from active duty during the period beginning October 1, 2007, and ending on December 31, 2012, who may continue to use the commissary store during the 2-year period beginning on the date of the involuntary separation of the member in the same manner as a member on active duty; and (2) a member of the Selected Reserve who is involuntarily separated due to the...
exercise of force shaping authority of the Secretary concerned under section 647 of Reference (d) or other force shaping authority during the period beginning October 1, 2007, and ending on December 12, 2012, who may continue to use the commissary store during the 2-year period beginning on the date of the involuntary separation of the member in the same manner as a member on active duty.

2. **COMMISSARY ACCESS.** This section lists the individuals, organizations, and activities that may be permitted access to make purchases from the commissary, except when prohibited by treaty or other international agreements in foreign countries.

   a. **Hospitalized Veterans.** Veterans discharged under honorable conditions from the Uniformed Services when hospitalized where commissary facilities are available. (This does not include veterans discharged under honorable conditions receiving outpatient treatment.)

   b. **DoD Civilian Employees Assigned to the U.S. Territories and Possessions.** DoD civilian employees (and authorized family members of their household) under a valid transportation agreement may be authorized access to the commissary by the installation commander.

   c. **Military Personnel of Foreign Nations.** Officers and enlisted personnel of the military services of foreign nations on active duty, as follows:

      (1) When on duty with U.S. Armed Forces under competent invitational travel orders issued by the U.S. Army, the U.S. Navy, the U.S. Air Force, or the U.S. Marine Corps.

      (2) When assigned military attaché duties in the U.S. and designated on reciprocal agreements with the U.S. State Department.

      (3) In overseas areas when determined by the Combatant Commander that the granting of such privileges is in the best interest of the United States, and that such persons directly participate in activities or functions of the U.S. military mission

      (4) Officers and enlisted personnel of foreign nations, retired, on leave in the United States, or attending U.S. schools, who are under orders issued by the U.S. Army, the U.S. Navy, the U.S. Air Force, or the U.S. Marine Corps.

   d. **Non-DoD U.S. Government Departments or Agencies in Overseas Areas.** In the interest of Federal Government economy, commissary bulk sales to a designated official of and for use by non-DoD Federal Government Departments or Agencies in overseas locations may be authorized according to DoD Instruction 4000.19 (Reference (l)). This support may be authorized when the support can be furnished without unduly impairing the service to authorized DoD patrons. Sales to the extent warranted will be on a reimbursable basis as discussed in Enclosure 7, paragraph 1(a)(2). Recurring support requirements shall be formalized in negotiated inter-Department or inter-Agency agreements under the authority of the Installation Commander or Secretaries of the Military Departments. Service support
agreements shall be coordinated with the Director, DeCA, to ensure commissary resources are available.

e. Civilian Employees of Non-DoD U.S. Government Departments or Agencies Outside the United States and Outside the U.S. Territories and Possessions. Non-DoD U.S. Government employees, who were hired in CONUS under a transportation agreement, service agreement, or tour renewal agreement of a non-DoD U.S. Federal Department or Agency (and authorized family members of their household) assigned outside the United States and its Territories and Possessions may be authorized access to military commissaries. Overseas Installation Commanders or Secretaries of Military Departments may extend commissary access to these civilian employees (and dependents of their household) through official support agreements.

f. American National Red Cross (ARC) Personnel

(1) Within the United States. Privileges may be extended to all uniformed and non-uniformed, full-time, paid, professional, and headquarters staff personnel of the Red Cross who are assigned to duty with the Military Services by the Red Cross, and who reside within a military installation in the United States. Enclosure 2 paragraph 4.b(1) regarding civilian employees of the Military Services applies.

(2) Outside the United States. Privileges may be extended to all uniformed and non-uniformed, full-time, paid, professional headquarters staff personnel and to uniformed, full-time paid, secretarial and clerical workers at the ARC, who are U.S. citizens and assigned to duty overseas with the Military Services by the ARC. Extension of such privileges to the above named ARC personnel will be determined by the major overseas commanders or commandants when it is within their capability and without detriment to their ability to fulfill the military mission.

g. United Service Organizations (USO)

(1) In overseas areas, installation commanders may extend privileges to USO area executives, USO executive directors and assistant executive directors who are U.S. citizens and assigned duties overseas. Extension of such privileges will be determined by the Installation Commander when it is within their capability and without detriment to their ability to fulfill the military mission.

(2) Major overseas commanders may extend privileges to USO clubs and agencies to purchase subsistence supplies for use in club snack bars that support active duty forces and their families.

h. United Seamen’s Service (USS). The Installation Commander may authorize commissary support to USS personnel to purchase goods for their personal and family needs, and for use in USS programs only when economic conditions or isolated locations are such that support is not available from the local civilian sources, cannot be imported from other sources, or is available from local civilians or by importation only at prohibitive cost.
i. **Armed Services Young Men’s Christian Association (ASYMCA).** In overseas areas, and when it is within the capability of the appropriate commander and without detriment to the ability to fulfill the mission, commissary privileges may be provided for ASYMCA branch or unit directors and assistant directors to purchase goods and services for their personal and family needs, and for use in ASYMCA programs.

j. **Personal Agent or Personal Representative**

   (1) A specific named person may be authorized on a temporary basis (not exceeding 1 year unless extended for continuing hardship) by the commanding officer, at the command level designated by the Military Department concerned, to shop for an authorized patron under one of the following conditions:

   (a) In extreme hardship cases.

   (b) When no adult dependent member is capable of shopping due to injury, illness, incapacitation, or stationing away from their household.

   (2) Any person chosen by a blinded or other severely disabled eligible patron to assist the patron. The agent may be authorized on a permanent basis if the patron’s disability is certified as permanent by appropriate military medical authority.

   (3) Commanding officers shall issue a letter of authorization to agents that may be used in any commissary stating:

   “(Name of patron), the bearer of a Uniformed Services Identification Card, is authorized to be accompanied by a person of his or her choice while shopping in a military commissary.”

k. **DeCA Employee Commissary Privileges.** DeCA personnel assigned to commissary stores within the United States may purchase commissary products, excluding tobacco products, from the commissary store where they are assigned, for personal consumption during meals and other authorized breaks within their scheduled working hours.

l. **Federally Declared Disasters.** Installation commanders may authorize emergency, temporary access to commissary and exchange stores by DoD appropriated and nonappropriated fund civilian employees and DoD contractors performing functions essential to restoring and continuing military operations or maintaining quality of life at installations within the federally declared major disaster areas. Installation commanders in the continental United States may permit temporary limited access to the commissary facilities by DoD civilian employees and their dependents evacuated from their assigned duty stations pursuant to evacuation orders issued by a commander (or equivalent DoD authority) under DoD Directive 3025.1 (Reference (m)). DoD civilian employees and DoD contractors are not authorized to purchase tax-free tobacco items.
3. **POSITIVE IDENTIFICATION REQUIRED.** An individual who seeks to make a purchase from a commissary shall be positively identified as an authorized patron at the point of purchase (cash register). For security reasons, the installation commander may require identification checks at the commissary entrance. At the discretion of the installation commander, visitors may accompany authorized patrons into the commissary, but are not authorized to make commissary purchases.

   a. **Types of Identification Required.** Commissary patrons authorized in Enclosure 4, paragraph 1, shall be identified by the complete regulation U.S. military uniform; by an official identification authorized in DoD Instruction 1000.13 (Reference (n)) including DD Form 2, DD Form 1173, DD Form 1173-1, DD Form 2750, DD Form 2764, DD Form 2765, and the DoD Common Access Card; by an official identification card issued by the Military Service of which the patron is affiliated; or by official DoD forms (DD Form 4, DD Form 1610, and DD Form 1618).

   b. **Identification Documentation Procedures.** In cases where access to the commissary is granted under Enclosure 2, paragraph 4.b., and Enclosure 4, paragraph 2, the installation commander shall establish procedures to verify status, maintain databases, and issue appropriate documentation to facilitate positive identification.
1. EVALUATION CRITERIA FOR ESTABLISHMENT, CONTINUANCE, AND
DIESTABLISHMENT OF COMMISSARIES. The following criteria shall be used by the
Board to certify annually and determine whether to establish, continue, or downscale
commissary operations at a specific geographic location (including those commissaries on closed
installations). The PDUSDP(R) is the approval authority on the Board recommendations to
establish commissaries, to continue commissaries that do not meet established criteria or those
commissaries located at closed installations, and to disestablish commissaries.

a. General Criteria. The effect on Active Duty personnel and their dependents shall be given
primary consideration when assessing the need for a commissary store and selecting the location
of the store. The supporting Military Department shall validate and document that:

(1) The military installation or location shall have either: (a) a full time Active Duty
mission, or (b) Active Duty Armed Service personnel who remain on a former installation and
within a 20-mile radius of the installation (to include government-owned or contracted housing).

(2) At least 100 Active Duty personnel shall be assigned to the installation; or shall be
stationed on and within a 20-mile radius of a closed installation. The Military Department shall
validate and document the number of families stationed on the installation and the number of
patrons, to include reservists and retirees, who expect to use the commissary. As a general rule,
commissary operations are discontinued when an installation is completely closed and no Active
Duty or Reserve component personnel remain on the installation. The Department of Defense
may continue to provide commissary support to Active Duty personnel at or in the immediate
vicinity of a closed installation when a significant Active Duty or Reserve component population
remains.

(3) While there may be some variance depending on population density, civilian
shopping alternatives, and security of the military community in which the commissary is
located, there should be at least 20 miles or 30 minutes one-way travel time to the nearest
commissary. Remote and isolated designation shall be assigned only to those military
installations that are approved in accordance with DoD Instruction 1015.10 (Reference (o)).

b. Economic Criteria. In addition to the general criteria, DeCA shall prepare a business case
analysis to verify that the commissary operation is economically supportable. The analysis shall
consider all of the following factors:

(1) The store’s annual retail sales and appropriated operating costs;

(2) The store’s annual surcharge funds generated versus its total operating costs
(appropriated and surcharge);
(3) The Armed Service(s) assessment of future requirements for commissary benefit in the geographic area; and,

(4) The Armed Service(s) long-term (15 year) market assessment of influences which may affect the size of the patron base, including such projections as:

   (a) Changes in the military community, including change of installation mission, active duty presence, or family housing.

   (b) Changes in adjacent civilian communities, including commercially available groceries.

   (c) Changes in adjacent communities affecting the number of authorized patrons (including Reserves and retirees) expected to use the commissary.

2. INDEPENDENT COMMISSARY OPERATIONS

   a. Annual Certification. When the criteria at Enclosure 5, paragraph 1, are met, the Department of Defense shall continue to provide independent commissary operations where necessary to support authorized patrons at installations and locations where there is a significant Active Duty population remaining. If there are overriding circumstances that warrant operation of a store when criteria are not fully met, the Board shall provide specific justification to the PDUSD(P&R). The Director, DeCA, and the Board shall monitor the efficiency and effectiveness of commissaries recommended for continued operation that do not meet the criteria.

   b. Commissary. If a commissary operation does not meet the criteria, then a DeCA-operated commissary format offering a limited assortment of authorized commissary items sold at cost plus 5 percent shall be evaluated before considering closure or establishment of a combined store. DeCA will develop the plan and operating estimates for the commissary. The Military Department(s) and the DeCA Board of Directors shall review and certify the DeCA plan and operating estimates.

3. COMBINED COMMISSARY AND EXCHANGE STORES CRITERIA

   a. A combined commissary and exchange will be considered in cases where an independent commissary is not economically feasible and supportable due to base closure, military force structure changes, or where nearby stores produce overlapping or redundant delivery of the commissary benefit. Only an Armed Service Exchange may operate a combined store. Edible groceries shall be sold at cost plus 5 percent. Other items may be priced in conformance with paragraph 4.10., DoD Instruction 1330.09 (Reference (p)). The number of combined stores in the United States shall not exceed 10.
b. An exchange-operated combined commissary and exchange store shall be evaluated by the Military Department that operates the Exchange at the location. A recommendation to create a combined store shall be based on the following criteria, which apply to all models of combined stores operated by the Military Department under section 2488 of Reference (d).

(1) An exchange and commissary already operate at the location.

(2) Active Duty personnel remain on the installation or within a 20-mile radius of an installation.

(3) The closest installation with an active duty mission, or a Federal Government-owned or contracted housing area that has commissary and exchange support, is a one-way distance of at least 20 miles away. If the one-way distance is fewer than 20 miles, and the commissary and exchange are able to accommodate the additional patron migration, a combined store shall not be considered.

(4) The combined store shall be economically viable and shall not negatively impact Morale, Welfare, and Recreation (MWR) dividends, after authorized appropriated funding is provided. A combined store operation with a loss for 2 consecutive years or with a loss of 2 out of 3 years shall close.

(5) The cost for the combined grocery store operation must yield at least a 10 percent annual savings compared to the cost for DeCA to operate a commissary. All costs, including operating and capital investment, shall be considered when making this comparison.

(6) The Military Department(s), through their annual funding of DeCA, shall provide appropriations to the Exchange for losses incurred by the grocery operation within the combined store. This support shall be provided only when there is also an annual net loss for all exchange-operated activities at the installation. The annual appropriated fund support shall be limited to 25 percent of the DeCA costs during the last full fiscal year that DeCA operated the commissary store at the location. The loss from the grocery operation shall be calculated using (a) a pro rata share of store-specific costs, determined by the percentage of store sales associated with edible grocery items; plus, (b) “above the store level” overhead that cannot exceed 2.5 percent of sales and cannot include MWR dividends.

(7) In the case of an installation closed under BRAC action, the combined store must complement the Local Reuse Authority plan and have written support from the local government(s) immediately surrounding the closed installation. Space must be available in an existing facility. New construction or expansion of an existing facility on a closed installation shall not be required. Renovations, maintenance and repair, and minor construction on existing facilities are allowable, when justified. Exceptions to allow major construction shall be approved by the PDUSD(P&R).

c. The combined store operation shall be reviewed annually by the DoD Executive Resale Board to ensure that criteria are still met. The Director of DeCA and the Armed Service exchange concerned shall conduct the review and, following coordination with the Board and the
Exchange Board of Directors, shall provide a recommendation to the DoD Executive Resale Board regarding the need to continue, close, or to create a combined store.

d. A decision to close or create a combined store must be approved by the PDUSD(P&R). The PDUSD(P&R) shall notify the Congress 90 days before action is taken. If the location is closed as a combined store operation, the commissary and exchange may each re-evaluate the location to operate under established criteria for commissaries at Enclosure 5, paragraph 1, and for exchanges, according to DoD Instruction 1330.21 (Reference (q)).

3. INDEPENDENT EXCHANGE OPERATIONS SELLING GROCERIES. If a commissary operation or combined store is not warranted at the location, then the Armed Services Exchange may elect to sell food items at the location, but appropriated fund support designation for commissaries shall not be provided to offset the exchange cost of selling edible groceries.

4. REPORTING REQUIREMENTS

a. Annual Commissary Assessment Report. By April 1st of each year, the DeCA Board of Directors shall forward to the PDUSD(P&R) the “Annual Commissary Assessment Report” at the Appendix to Enclosure 5. The information shall be based on information as of the end of the previous fiscal year.

b. Establishment of New Commissaries. When recommending establishing new commissaries, the Chairman, DeCA Board of Directors, shall provide the following information, in narrative form, to the PDUSD(P&R).

(1) The individual criteria specified at Enclosure 5, paragraphs 1.a and 1.b.

(2) Whether the installation previously had a commissary store, and if so, reasons for closing.

(3) Whether an existing building will be used.

(4) Manpower requirements for operating the store.

(5) Total capital outlay necessary for equipment.

(6) Facility requirements size and cost, to include source of funding.

c. Disestablishment of Commissaries. The DeCA Board of Directors shall seek PDUSD(P&R) approval of commissary disestablishment. Requests shall be submitted to provide sufficient time for the PDUSD(P&R) decision, and, in the case of closure other than under base closure law, notification to Congress. Per section 2482(d) of Reference (d), except in cases where the store closure results from an installation closing pursuant to base closure law, a commissary store shall not close until 90 days after the date the PDUSD(P&R) submits written
notice to Congress. The written notice shall include an assessment of the impact closure will have on the quality of life for military patrons and the welfare and security of the military community in which the commissary is located.

Appendix
Annual Commissary Assessment
APPENDIX TO ENCLOSURE 5

ANNUAL COMMISSARY ASSESSMENT

1. **Assessment recommendation.** Provide a recommendation for each commissary location/operation’s establishment, retention, or closure.

2. **Commissary Name, Location, and Armed Service.** Provide name, location, Armed Service, and state/country (if overseas) of operation. Indicate whether commissary is located on or off a military installation. Indicate whether the commissary is a permanent or a temporary operation.

3. **Patron Base.** State the number of Active Duty, Reserve Component personnel, Active Duty families, and reserve families assigned to and/or stationed on the installation. State the number of each category of military personnel and families not assigned to and/or stationed on the installation, but within a 20-mile or 30-minute one-way driving radius. State the number of retirees and the other authorized patrons within a 20-mile or 30-minute one-way driving radius.

4. **Installation Mission.** Identify the installation’s (or activity’s) mission supported within the 20-mile or 30-minute driving radius, as Active Duty or Reserve.

5. **Long-term Assessment.** Summarize the Armed Service’s long-term assessment (5-year) of mission. Factors to be considered include changes in installation mission or use; changes in status of personnel assigned from “accompanied” to “unaccompanied” or vice-versa; and changes to the total patron base within a 20-mile or 30-minute one-way driving radius of the commissary, including on-base and off-base housing.

6. **Area Commissary Capacity.** Provide the name of the closest commissary, the distance, and driving time. If within a 20-mile or 30-minute one-way driving radius, provide analysis of support for patron base (e.g., one store sized for patron base may be too large for the patron to shop; a small store in housing area in addition to main commissary may provide best use of funding; geographic dispersion of patron base or commuting/traffic patterns may favor operating two facilities).

7. **Sales Trend.** Provide an analysis of the actual sales and surcharge funds generated for the previous and current fiscal years, and forecasted for the next 2 fiscal years.

8. **Operational Cost Trend.** Provide an analysis of the actual operating costs and unit cost for the previous and current fiscal years, and forecasted for the next 2 fiscal years. Costs will be compared
to commissaries of similar size, sales and operating environment. Provide the amount and fiscal year of reimbursement received for commissaries operated for other than the Military Departments, if any, i.e., from the Coast Guard, as applicable.

9. **Facility/Infrastructure Cost.** As required to support a commissary establishment or closure, assess the resource requirements by fiscal year based on the current and future demographics, mission type and mission duration data. Stipulate whether a temporary or other commissary facility format is required. Costs will be compared to commissaries of similar size, sales, and operating environment. When appropriate, DeCA may coordinate with the Armed Services exchange for consideration in alternative construction and shared facility joint construction ventures.

10. **Cost of Living.** Identify whether a COLA is authorized as established by the Per Diem Travel, and Transportation Allowance Committee, in accordance with the provisions of DoD Directive 5154.29 (Reference (r)).

11. **Remoteness.** Identify commissaries in an approved remote location under the provisions of Enclosure 5 of Reference (o) and identify the recognized commercial chain grocery store alternatives. Identify extenuating circumstances warranting consideration for any commissaries that are not at approved remote locations under Reference (o).

12. **Listing of Commissaries.** A listing (by State and country) of the location of all commissaries to be operated during the next Fiscal Year.
AUTHORIZED RESALE ITEMS

1. AUTHORIZED COMMISSARY STOCK ASSORTMENT. Commissaries are authorized to stock and sell merchandise within the categories listed below. The assortment of brands shall be sufficient to meet the reasonable demands of the commissary patrons and shall ensure equitable competition. DeCA may designate the number of items to be stocked in the commissaries in each category. Merchandise sold in, at, or by commissary stores shall be commissary store inventory. An Armed Services exchange may be the vendor for commissary merchandise.

a. Grocery, Food

(1) Baby foods

(2) Bakery foods

(3) Baking foods

(4) Breakfast foods

(5) Candy and gum

(6) Canned and dry soup

(7) Canned fish

(8) Canned fruit

(9) Canned juice

(10) Canned meat and specialty foods

(11) Canned vegetables

(12) Coffee

(13) Cookies and crackers

(14) Desserts and toppings

(15) Diet and low calorie foods

(16) Dressings
(17) Dried fruits
(18) Dried vegetables
(19) Nuts
(20) Pasta products
(21) Pickles and relishes
(22) Olives and vinegar
(23) Sauces
(24) Snacks
(25) Soft drinks, mixes, and nonalcoholic beverages
(26) Spices and extracts
(27) Spreads
(28) Syrups
(29) Tea
(30) Other foods

b. Grocery, non-foods
   (1) Charcoal and lighter fluid
   (2) Household supplies and household batteries
   (3) Paper, plastic, and foil products
   (4) Pet foods and supplies

c. Bakery

d. Dairy products

e. Delicatessen

f. Frozen Foods
g. Health and beauty aids including tobacco cessation products

h. Limited assortment of women’s hosiery

i. Meat

   (1) Fresh and/or processed meats, poultry, fresh-water fish, and seafood

   (2) Fresh cheeses

   (3) Smoked meats

j. Produce

   (1) Fresh fruits and vegetables

   (2) Natural foods (nuts, seeds, dry herbs, fruit juices, dried fruit, etc.)

   (3) Potted plants and associated items

   (4) Salad bar

k. Magazines and other periodicals

l. Tobacco products. Tobacco products may be sold, in, at, or by commissary stores, where approved by the Secretary of the Military Department concerned. In accordance with section 2484(c)(3)(A) of Reference (d), an Armed Services exchange shall be the vendor for the sale of tobacco products in commissary stores. Commissaries shall support DoD goals to communicate to Service members that tobacco use is detrimental to health and readiness. Tobacco (including smokeless tobacco) shall not be sold to anyone less than 18 years of age. A customer’s ID shall be checked if his or her age is not known to be over 18 and appears to be under 27. The sale of tobacco products in vending machines is prohibited. The distribution of free samples of tobacco products is prohibited. Military retail outlets shall not enter into any new merchandise display or promotion agreements, or exercise any options in existing agreements, that provide for an increase in total tobacco shelf-space. This provision does not prohibit couponing or incentives that allocate tobacco shelf-space among brands so long as total tobacco shelf-space is not increased. Self-service promotional displays shall not be used outside of the tobacco department. Incentives to increase the total number of tobacco displays shall not be accepted, except to reallocate existing tobacco shelf-space among tobacco brands, if the total amount of tobacco shelf-space is not increased. Promotional practices for tobacco products shall reflect general commercial practices and shall not include “military only” coupons or other promotions unique to the military or military resale system. Commissaries shall endeavor to display tobacco cessation products in areas that provide visibility and opportunity to customers who desire to change their tobacco habits.
ENCLOSURE 7

OPERATIONS AND FUNDING

1. COMMISSARY STORE OPERATIONS

a. Sales

(1) Sales Price. When the cost of an item computes to a fraction of a cent, the price shall be rounded to the next whole cent. The sales price of meat and produce items that involve processing losses shall recoup the total actual invoice cost. Sales prices of specific items shall be adjusted for applicable vendor credits and promotions. To mitigate loss to the government, the commissary store director may reduce the sales price on damaged or outdated items following inspection and approval by food inspection technicians.

(2) Cash and Credit Sales. All purchases by individual commissary patrons shall be made in cash, personal check, credit or debit cards, Electronic Benefit Transfer (EBT), Women, Infants & Children (WIC) checks, traveler’s checks, or gift certificates. Sales to organizations and Instrumentalities of the U.S. Armed Services or other authorized agencies will be paid by government credit card. In the event of a major disaster or emergency, organizations and instrumentalities of the United States may be on a charge sales basis with accounts payable at least monthly as determined by the Secretary of the Military Department concerned. Reimbursements for sales to non-DoD Federal Departments or Agencies (see Enclosure 4, paragraph 2.d.) shall be assessed as follows:

(a) Organizational Sales. As outlined in the support agreement, charges for sales to organizations shall include the cost of the merchandise, the 5 percent surcharge, and the appropriate accessorial charge. Accessorial charges will be credited to the DeCA Defense Working Capital Fund operations account per Section 313 of Public Law 99-661 (1986) (Reference (s)).

(b) Individual Sales. The authorized individuals will be charged and pay in cash, personal check, credit or debit cards, EBT, WIC checks, or travelers checks for the cost of the merchandise and the 5 percent surcharge at the cash register. Support agreements negotiated with organizations outside the Department of Defense to permit individual sales shall include charges for estimated accessorial costs on an annual basis. If the volume of individual sales related to an agreement is not significant, the Director, DeCA, may determine that it is not appropriate to assess accessorial costs.

(c) Collection of Dishonored Checks. The Director, DeCA, shall impose a uniform charge for the collection of a check accepted at a commissary store that is not honored by the financial institution on which the check is drawn. The imposition and amounts of charges shall be consistent with practices of commercial grocery stores regarding dishonored checks. Amounts collected as charges shall be credited to the Commissary Trust Revolving Fund. Appropriated funds may be used to pay collection costs and shall be reimbursed out of funds in the Commissary Trust Revolving Fund. Under section 2485(g) of Reference (d), the following
persons are liable for the amount of a check that is returned unpaid, together with any charge imposed: the person who presented the check and any person whose status and relationship to the person who presented the check provide the basis for that person’s eligibility to make purchases at a commissary store. The amount for which a person is liable may be collected by deducting and withholding such amount from any amounts payable to that person by the United States.

b. Pricing Surveys. DeCA shall annually evaluate savings on purchases from commissaries. In CONUS, the survey shall use a comprehensive database of actual commercial prices for scannable items from commercial grocery stores, adjusted for supercenters. Prices for fresh meat and produce shall be obtained by physical audit of both commercial grocery stores and supercenters. OCONUS, a sample of items representing categories carried within the commissaries shall be compared to like items in local grocery stores and supercenters.

(1) Price comparisons shall consider only identical items by brand and size and shall exclude tobacco. Comparisons shall use commissary sales price plus surcharge and the commercial price plus applicable sales tax.

(2) The survey shall be structured to report cost and average savings by dollar and percentage in each of the following categories and geographic areas:

(a) Grocery, Foods
(b) Dairy
(c) Frozen Foods
(d) Grocery, non-Foods
(e) Health and Beauty Aids
(f) Meat
(g) Produce
(h) Geographic Areas
   1. 48 Contiguous States
   2. Alaska
   3. Hawaii
   4. 50 States
   5. Overseas
6. Total savings (exclusive of tobacco products)

c. Carryout or Bagger Personnel. Bagger personnel are neither employees nor contractors of the installation, DeCA, the Armed Services, the Department of Defense, or the Federal Government. The installation commander shall license individuals to grant access to enter a military installation for the express purpose of providing bagger/carryout services to authorized commissary patrons. The commissary store director may grant permission to licensed individuals to enter the commissary store to provide bagging and carryout services. Installation commanders may delegate the authority to license individuals only to members of their staff. The commissary store director is not a member of the installation commander’s staff.

   (1) Performance of bagging and carryout services is a tool that is ideally suited to enhance the quality of life of military families. Individuals who do not hold a valid military ID card should not ordinarily be issued a license and be granted access to the installation in order to provide bagging and carryout service. Exceptions may be permitted when there are insufficient military members, family members, or retirees available or interested in providing such services in the local area.

   (2) The installation commander may grant, deny, or revoke permission for an individual to enter the installation to provide bagger and carryout services as is determined to be in the best interests of the command. The commissary Store Director can revoke a bagger’s permission to enter the store for the purpose of bagging and carrying out customers’ groceries without regard to action taken by the Installation Commander. The grounds for denying or revoking permission shall include, but not be limited to, personal misconduct by an individual while on the installation, complaints or adverse reports regarding quality of services and the manner in which they are provided, failure to comply with any provision in the installation standard operating procedure memorandum for the licensing of bagger and carryout personnel, violating the individual’s statement of understanding with the commissary, or conduct that is detrimental to the safety, security, good order or discipline of the installation.

   (3) The commissary store director shall issue a statement of understanding to be executed by individuals permitted to enter the store to provide bagging and carryout services in commissary stores. The commissary store director shall monitor bagger operations to ensure they meet accepted standards of customer service.

d. Advertising. DeCA may inform authorized patrons living on or off the installation of facts about the commissary benefit, including accessibility, products and services available, customer service ratings, and savings. Such communication may be made through established military channels and all compensations systems. The Military Departments may disseminate standard information at recruiting locations, basic training, and Service schools.

   (1) Sales prices shall not be disseminated in media that can be removed from the store. Prices may be displayed on point of sale material affixed to the shelf. Advertising media may state a dollar or percentage amount off the price but shall not mention the actual price.
(2) Media specifically addressing commissary sales items shall not be mailed or e-mailed to patrons. This restriction does not apply to authorized mailings, purely of informational nature at no cost to the commissary system. For example, comments that the commissary system saves the member an average dollar or percentage amount on the grocery bill reflected on leave and earnings statements or recruiting brochures listing military benefits is permissible.

e. Commercially Valuable Information. Under section 2485(h) of Reference (d), the Director, DeCA, may limit the release to the public of the following proprietary information, if it is in the best interest of the Department of Defense to limit the release. Information may not be released in a form that identifies any customer or that provides information making it possible to identify any customer.

(1) Information contained in the computerized business systems of commissary stores or DeCA that is collected through or in connection with the use of electronic scanners in commissary stores, including data relating to sales of goods or services; demographic information on customers; and any other information pertaining to commissary transactions and operations. The Director, DeCA, may, using competitive procedures, enter into a contract to sell the information and may release, without charge, information on an item sold in commissary stores to the manufacturer or producer of that item or an agent of the manufacturer or producer.

(2) Business programs, systems, and applications (including software) relating to commissary operations that were developed with funding derived from commissary surcharges. The Director, DeCA, may, by contract entered into with a business, grant to the business a license to use business programs referred, including software used in or comprising any such program. The fee charged for the license shall be based on the costs of similar programs developed and marketed by businesses in the private sector, determined by means of surveys.

f. Donations. Commissaries may donate unmarketable, unsellable, but edible food to a nonprofit, charitable entity as designated by the Secretary of Defense or the Secretary of Health and Human Services; a State or local agency that is designated by the Secretary of Defense or Secretary of Health and Human Services; a chapter or other local unit of a recognized national veterans organization that provides services to persons without adequate shelter and is designated by the Secretary of Veterans Affairs; or a not-for-profit organization that provides care for homeless veterans and is designated by the Secretary of Veterans Affairs. Organized, charitable organizations and instrumentalities of the United States designed to help needy military families/members such as the Army Community Services food lockers have first priority in accepting donations. Food that may be donated under this provision must be certified as edible by appropriate food inspection technicians. Only food that would otherwise be destroyed as unusable, unmarketable, and unsellable shall be considered for donation. These donations shall take place and be held at the site of the commissary donating the food pending pickup by the authorized food bank/services organization. The total quantities of food donated through the Government-owned program should be accounted for and reported quarterly to the DeCA headquarters. Additionally, commissaries are authorized to hold (pending pickup by the specified food bank) any unmarketable but edible food for which a vendor has credited the commissary account or demonstration samples for which the vendor has authorized the donation of these products. The commissary shall facilitate vendor donations in the same fashion as authorized for
Government donations. Per section 2485(f)(4) of Reference (d), the commissary is not authorized to perform any service, such as transportation, in connection with the donation of Government-owned or vendor-owned property beyond what is specified in this section.

**g. Cause Marketing.** The Director, DeCA, may authorize a supplier to promote a particular charity with point of sale materials when it is considered in good taste and appropriate. The acceptance shall be based on the savings used to accept any promotion. For example, if a 15 percent price reduction is required for an end-cap display, this applies to a cause-marketed product as well. Commissary officials shall not under any circumstances play any role in designating or naming a specific charity to be promoted.

**h. Offshore Acquisition.** Overseas commissaries shall stock U.S. products. Products with short shelf lives that are impractical to ship to overseas commissaries may be procured from offshore sources. Specialty items, or indigenous unique items, for which no comparable U.S. products are available, may be procured offshore within reasonable limits.

**i. Contracts with Other Agencies and Instrumentalities.** Under section 2485(b) of Reference (d), DeCA and any other DoD agency that supports the operation of the commissary system, may enter into a contract or other agreement with another element of the Department of Defense or with another Federal department, agency, or instrumentality to provide or obtain services beneficial to the efficient management and operation of the commissary system.

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**2. APPROPRIATED FUNDING OF COMMISSARIES**

**a. Operating Expenses of Commissary Stores.** Appropriated funds shall be used to cover the following expenses of operating the commissary system, including DeCA, commissary stores, and central processing facilities:

1. **Personnel.** Salaries and wages of employees of the United States, host nations, and contractors supporting commissary operations. Pursuant to section 2485(d) of Reference (d), not more than an additional 18 members of the armed forces on active duty may be assigned to duty with DeCA as advisers responsible for overseas commissaries and as veterinary specialists. Members assigned to regional headquarters shall be limited to veterinary specialists and to enlisted members assigned as advisers to regional headquarters responsible for overseas commissaries.

2. **Transportation.** Second destination transportation costs of commissary merchandise, supplies, and equipment within or outside the United States to include transoceanic movement of goods to and from overseas and U.S. sea and aerial ports of embarkation to first destination overseas; movement of U.S. and foreign goods within foreign areas; and movement of U.S. goods between DoD installations. Pursuant to section 2485(b) of Reference (d), DeCA may not pay any amount for service provided by the U.S. Transportation Command that exceeds the price at which the service could be procured through full and open competition, as defined in section 4(6) of the Office of Federal Procurement Policy Act and section 403(6) of title 41, U.S.C. (Reference (l)).
(3) **Communications.** Includes electronic communications, telecommunications, Internet, television, cable, DSN, fax, public address systems, other electronic media, and postal service.

(4) **Operating Supplies.** All supplies required for the day-to-day operation of commissaries and store-level offices dedicated to supporting commissary operations.

(5) **Operating Services.** This includes common services, separately identified and reported (to the extent possible), such as garbage and trash removal; sewage disposal; police and fire protection; insect control; medical inspection; road, sidewalk and grounds maintenance; snow removal; procurement; financial accounting; merchandise handling; supply and financial administration; computer operation and maintenance; legal services; and other administrative and personnel support functions performed relative to the commissary operations.

(6) **Major Losses.** This applies to major losses of inventory, facilities, equipment, or supplies due to fire, theft (other than pilferage), explosion, power failure, storms, uncollectible checks, theft of funds, enemy actions, or acts of God.

(7) **Utilities.** The cost of electricity, heat, steam, water, ice, oil, gas, coal, compressed air, air-conditioning, refrigeration, and telephone for commissaries and store-level offices dedicated to commissary operations shall be paid by direct citation. Utilities should be metered at the point of service to the commissary. However, in the absence of meters, estimates may be used. Such estimates will be based on the contract cost of utilities and prorated according to the size of the commissary. Estimates may be determined at Military Department level or at the installation level.

(8) **Miscellaneous Expenses.** Any cost associated with above-store-level management or other indirect support of a commissary store or a central product processing facility, including equipment maintenance and information technology costs.

b. **Construction Costs.** Appropriated funds shall be used for commissary construction and equipment installed in and made a part of real property structure or improvement determined by the Armed Services to be necessary to establish, activate, or expand a military installation including Base Realignment and Closure and global restationing requirements; relocation of facilities for the convenience of the Government; replacement of facilities denied by country-to-country agreements; and restoration of facilities and improvements destroyed by acts of God, fire, or terrorism. In the case of installation expansion, a major increase in authorized and assigned personnel strength over a short period of time is necessary before appropriated fund construction can be programmed. Expansion must be the result of a mission change or influx of new units or systems and result in a 25 percent increase in authorized and assigned personnel strength within a 2-year time span. Those projects required to implement BRAC shall be funded through the BRAC accounts. Additionally, appropriated funds shall be used to clear construction sites when resiting a replacement or new mission commissary at the convenience of the Government.
c. **Reimbursement for Use of Commissary Facilities by Military Departments.** In accordance with section 2485(e) of Reference (d), the Secretary of a Military Department shall pay DeCA for use of a commissary facility by the Military Department for a purpose other than commissary sales or operations in support of commissary sales, when the facility was constructed or sustained using surcharge funds. The amount payable shall be equal to the attributable share of depreciation. The funds should be credited to the Commissary Trust Revolving Fund.

d. **Price Adjustment.** Under section 2484(e) of Reference (d), prices shall be adjusted to recoup the actual or estimated losses due to shrinkage, spoilage, and pilferage.

3. **COMMISSARY TRUST REVOLVING FUNDS.** Commissary Trust Revolving Funds shall be used only to acquire (including acquisition by lease), construct, convert, expand, improve, repair, maintain, and equip the physical infrastructure of commissary stores and central product processing facilities, and to cover environmental evaluation and construction costs, including costs for surveys, administration, overhead, planning, and design. Physical infrastructure includes real property, utilities, and equipment (installed and free standing and including computer equipment) necessary to provide a complete and usable commissary store or central product processing facility.

a. **Purchase and Maintenance of Equipment.** Equipment used in commissary store-level offices dedicated to direct support of store operations, including automated data processing equipment to include installation and contract cost of commercial or government maintenance (includes preventive maintenance and repair), shall be paid by direct citation of or reimbursed from surcharge funds collected from commissary patrons.

b. **Facility Construction Costs.** A surcharge on the sales price of merchandise sold in commissaries is required to generate funds for construction. The proceeds from surcharges may be used to acquire, construct, convert, expand, install equipment in, or otherwise improve commissary facilities at defense installations as provided in section 2484(h) of Reference (d), and for related environmental evaluation and construction costs, including surveys, administration, overhead, planning, and design.

c. **Coupon Handling Fees.** Costs incurred in connection with obtaining face value of coupons shall be reimbursed by all fees or monies received for handling or processing such coupons.
DEFENSE COMMISSARY AGENCY (DeCA) BOARD OF DIRECTORS

1. **CHAIR.** A senior flag officer member from one of the Services (pay grade O-9) will serve as Chair of the Defense Commissary Agency (DeCA) Board of Directors (Board). The term of the Chair will be approximately 2 years. The outgoing Chair will make recommendations for the appointment of the Chair to the USD(P&R) in consultation with Senior Military Department representatives and with consideration for rotating the Chair among the Military Departments whenever possible. The Chair is the individual responsible for representing the Board in fulfilling its responsibilities to provide advice and assistance on the governance of DeCA, in accordance with section 2485(c)(3) of Reference (d). The Chair shall be the rating official for the DeCA Director.

2. **MEMBERS.** The Board will be accountable directly to the USD(P&R) for Board matters. DeCA Board members, as a corporate body, provide oversight on the governance of DeCA. Within parameters established by the USD(P&R), Board members collectively establish direction for, monitor the performance of, and assess accountability for results achieved by DeCA. Each member serves as a representative of his or her Component on commissary matters. Members ensure proper interface with other program and functional areas within their areas of expertise, and take action to achieve appropriate coordination within their respective Military Departments on commissary matters. Individual members are also instrumental in ensuring eligible beneficiaries are aware of the commissary benefit. The following are the designated members of the DeCA Board or such other representative of a Military Department as may be determined through consultation between the USD(P&R) and the Secretary concerned:
   
   a. **Department of the Army.** Three members as follows: Deputy Chief of Staff for Logistics (O-9), Deputy Assistant Secretary of the Army (Personnel Oversight) (SES), and Sergeant Major of the Army (E-9).
   
   b. **Department of the Navy.** Five members as follows: Deputy Chief of Naval Operations (Fleet Readiness and Logistics) (O-9); Deputy Assistant Secretary of the Navy (Military Personnel Policy) (SES); Master Chief Petty Officer of the Navy (E-9); Deputy Commandant of the Marine Corps, Installations and Logistics (O-9); and Sergeant Major of the Marine Corps (E-9).
   
   c. **Department of the Air Force.** Three members as follows: Deputy Chief of Staff, Manpower and Personnel (O-9); Deputy Assistant Secretary of the Air Force (Force Management Integration) (SES); and Chief Master Sergeant of the Air Force (E-9).

3. **COMMITTEES.** There are four standing committees. The Chair may establish additional committees or working groups, as required, to fulfill the duties of the Board.
a. **Executive Committee.** The Board Chair will chair the Executive Committee. The Executive Committee is composed of the other standing Committee Chairs. In cases where none of the Senior Enlisted Service representatives is serving as a Committee Chair, one will be selected by the Board to serve on the Executive Committee on a rotational basis. The Executive Committee supports the Board in recommending actions and facilitating the operations of the Committees in between Board meetings. It acts to enhance the responsiveness and agility of the Board, but does not substitute for the Board as a decision-making body. A written record of Executive Committee actions will be made and distributed to all Board members and a copy filed with the Executive Secretary. The Executive Committee supports the Chairman of the DeCA Board in assessing and evaluating the performance of the Director, DeCA, and completing SES performance evaluations.

b. **Finance Committee.** The Finance Committee is composed of seven members: one Board member appointed by majority vote of the Board who shall serve as Chair, a senior representative from each Armed Service Budget organization with authority to fiscally commit his or her Armed Service to support Board recommended actions, the DeCA Chief Financial Officer, and a senior representative of the Office of the USD(C)/DoD CFO. The Finance Committee is responsible for the financial management oversight and budgeting of appropriated funds required to support the commissary benefit and for developing a prioritized investment program and the annual DoD commissary construction and capital improvement program for review by the Board and subsequent submission to the USD(P&R). In conjunction with the Performance Committee, the Finance Committee reviews requests for establishment of commissary stores and prepares recommendations for the Board to forward to the USD(P&R).

c. **Audit Committee.** The Audit Committee will consist of four members who are independent of the day-to-day management of DeCA: a representative from the Defense Finance and Accounting Service, a representative from the Office of the USD(C)/DoD CFO, a representative from the Finance Committee other than the Chair, and another Board member appointed by majority vote of the Board, who shall serve as Chair. The DeCA Chief Financial Executive may attend meetings of the Audit Committee as a non-voting member at the discretion of the Committee Chair. A representative of the Office of the Inspector General of the Department of Defense will serve as an advisor to the Audit Committee. The Audit Committee is concerned with the sound financial management of DeCA. DoD external auditors report to the Audit Committee, and the Audit Committee oversees the execution of the external audits. It reviews the findings and recommendations of external and internal audits. When appropriate, it identifies levels of risk in financial management practices and evaluates recommended procedures or processes to improve the financial strength of DeCA. It also ensures appropriate policies and procedures are in place to surface and address complaints alleging fraud, waste, abuse, and/or infringement of financial management principles. The Audit Committee is responsible for establishing audit requirements, identifying contract deliverables, monitoring the execution of the contract, identifying and assisting with resolution of obstacles to a clean opinion, and providing a forum to research, recommend, and issue guidance on accounting and auditing issues.

d. **Performance Committee.** The Performance Committee will consist of eight members consisting of the four Service Senior Enlisted Advisors and four others selected from the Board.
membership, not serving on either the Audit or Finance Committees, and approved by majority vote of the Board. The senior Board member will serve as Chair. The Performance Committee reviews and recommends approval of DeCA’s strategic plan and the annual performance plan, monitors DeCA’s performance in achieving the goals and objectives set forth in those plans, and makes recommendations to the Board regarding patron outreach initiatives. It is responsible for performing the annual assessment of commissary stores and, in conjunction with the Finance Committee, reviewing Military Department requests for establishment or closure of commissaries.

4. DUTIES AND RESPONSIBILITIES: DeCA BOARD CHAIR

a. Represents the Board in providing advice to the USD(P&R) on commissary policies and operations and on the delivery of the commissary benefit to the military community.

b. Serves as the Chair of the Executive Committee.

c. In consultation with Senior Military Department Representatives, makes recommendations to the USD(P&R) on behalf of the Board concerning the selection of the Board Chair and the DeCA Director.

d. Supervises and rates the DeCA Director. Serves as the second level review authority for employees rated by the DeCA Director.

e. Convenes the Board at least semi-annually or as necessary to conduct business.

f. Communicates, as required, with Board members to keep them informed of committee and DeCA actions between Board meetings.

g. Designates the Board Executive Secretary.

5. DUTIES AND RESPONSIBILITIES: DeCA BOARD OF DIRECTORS

a. Advises the USD(P&R)

   (1) Provides advice to the USD(P&R) regarding the prudent operation of the commissary system and to assist in the overall supervision of DeCA.

   (2) Provides advice to the USD(P&R) on the delivery of the commissary benefit to the military community.

   (3) Recommends policy changes to the USD(P&R).

b. Sets Direction
(1) Oversees development of and approves DeCA’s business strategies and plans for achieving the strategic performance goals, established by the USD(P&R) within fiscal guidance and in compliance with applicable laws and regulations.

(2) Ensures internal consistency among business strategies, resources, and performance goals, including the directed level of commissary benefit.

(3) Endorses for submission to the USD(P&R) DeCA’s proposed construction and capital investment programs and budgets.

(4) Endorses for submission to the USD(P&R) DeCA’s financial and investment plans.

(5) Endorses for submission to the USD(P&R) the annual DeCA corporate performance plan.

c. Monitors Performance

(1) Monitors DeCA’s performance against established goals, objectives, resources, and the specified benefit level.

(2) Ensures consistent commissary benefit across the Military Services.

(3) Reviews annual operating results and provides reports/assessments to the USD(P&R).

d. Evaluates and Assesses Results

(1) Endorses for submission to the USD(P&R) the DeCA annual report on commissary operations and future plans.

(2) Endorses for submission to the PDUSD(P&R) the annual commissary assessment.

e. Provides Oversight of Management

(1) Through the Audit Committee:

(a) Monitors the execution of external audits.

(b) Evaluates and makes recommendations to management to improve the effectiveness of DeCA’s internal control program, including the internal audit plan and the results of such audits, and the application of standards of conduct.

(c) Oversees DeCA’s compliance with laws and regulations.

(2) Assesses DeCA’s financial reporting procedures.
(3) Evaluates executive performance through the Executive Committee.

f. Communications and Advocacy. Promotes knowledge and understanding of the commissary benefit within the military community.
GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ARC</td>
<td>American National Red Cross</td>
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<tr>
<td>ASCR</td>
<td>Armed Services Commissary Regulations</td>
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<tr>
<td>ASYMCA</td>
<td>Armed Services Young Men’s Christian Association</td>
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<tr>
<td>BRAC</td>
<td>base realignment and closure</td>
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<tr>
<td>CFR</td>
<td>Code of Federal Regulations</td>
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<tr>
<td>COLA</td>
<td>cost of living allowance</td>
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<tr>
<td>CONUS</td>
<td>continental United States</td>
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<tr>
<td>EBT</td>
<td>Electronic Benefit Transfer</td>
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<td>DeCA</td>
<td>Defense Commissary Agency</td>
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<tr>
<td>DoD</td>
<td>Department of Defense</td>
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<tr>
<td>ID</td>
<td>identification</td>
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<tr>
<td>MWR</td>
<td>morale, welfare, and recreation</td>
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<tr>
<td>MSCEA</td>
<td>Military Support to Civil Authorities</td>
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<tr>
<td>NAF</td>
<td>nonappropriated fund</td>
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<tr>
<td>NAFI</td>
<td>nonappropriated fund instrumentality</td>
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<tr>
<td>NOAA</td>
<td>National Oceanic and Atmospheric Administration</td>
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<tr>
<td>OCONUS</td>
<td>outside the continental United States</td>
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<tr>
<td>PDTATAC</td>
<td>Per Diem, Travel and Transportation Allowance Committee</td>
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<tr>
<td>PDUSD(P&amp;R)</td>
<td>Principal Deputy Under Secretary of Defense (Personnel and Readiness)</td>
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<tr>
<td>SES</td>
<td>Senior Executive Service</td>
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<tr>
<td>USC</td>
<td>United States Code</td>
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<tr>
<td>USD(P&amp;R)</td>
<td>Under Secretary of Defense (Personnel and Readiness)</td>
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<tr>
<td>USD(C)/DoD CFO</td>
<td>Under Secretary Defense (Comptroller)/DoD Chief Financial Officer</td>
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<tr>
<td>USO</td>
<td>United Service Organizations</td>
</tr>
<tr>
<td>USS</td>
<td>United Seamen's Service</td>
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<tr>
<td>WIC</td>
<td>Women, Infants &amp; Children</td>
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PART II. DEFINITIONS

Active Duty. See Joint Publication 1-02 (Reference (u)).
Agent. For the purposes of this Instruction, and in those cases of an official organization or activity, an agent is a representative designated in writing by the person responsible for the organization or activity authorized the commissary entitlement.

Authorized Family Member. An individual whose relationship to the sponsor leads to entitlement, benefits, or privileges administered by the Uniformed Services. Family members as defined herein include: abused dependent or former dependent; dependent children 21 or older; dependent children under 21; former dependents; lawful spouse; orphans; parents; surviving family member; surviving spouse; unremarried former spouse; and surviving spouses and dependents of honorably discharged veterans who are posthumously determined to have possessed service-connected disabilities rated as 100 percent.

Abused Dependent or Former Dependent. A dependent or former dependent entitled to payment of monthly transitional compensation under section 1059 of Reference (d), while receiving payments in accordance with the cited law, shall be entitled to use commissary stores to the same extent and in the same manner as a dependent of a member of the armed forces on active duty for a period of more than 30 days.

Dependent Children 21 or Older. Children, including adopted children, stepchildren, and wards, who are 21 years of age or older, unmarried, and dependent upon the sponsor for over half of their support and are either:

   Incapable of self-support because of a mental or physical handicap; or

   Have not passed their 23rd birthday and are enrolled in a full-time course of study at an institution of higher education.

Dependent Children Under 21. Unmarried children under 21 years of age, including pre-adoptive children, adopted children, stepchildren, foster children, and wards dependent on the sponsor for over half of their support.

Former Dependents. The dependent of an unremarried former spouse, if before the divorce, the dependent was living in a home provided by or for an authorized sponsor and was dependent on the sponsor for over 50 percent of his or her support under Public Law 97-252 (Reference (v)).

Lawful Spouse. If separated, a dependent spouse retains privileges until a final divorce decree is issued.

Orphans. Surviving unmarried children of a deceased Uniformed Service member or retired member of a Uniformed Service, who are either adopted or natural born and under the age of 21, or who are over 21 and incapable of self-support; or under 23 and enrolled in a full-time course of study at an institution of higher education. The surviving children must have been dependents under the definitions in this Instruction at the time of the death of the parent or parents.
Parents. Father, mother, stepparent, parent by adoption, and parents-in-law who depend on the sponsor for over half of their support. The surviving dependent parents of a member of the Armed Services who dies while on active duty are included.

Surviving Family Member. Children or parents of a sponsor who are dependent on the surviving spouse for over half of their support.

Surviving Spouse. A widow or widower of a sponsor who has not remarried or who, if remarried, has reverted through divorce, annulment, or the demise of the spouse, to an unmarried status. This category also includes an unremarried former spouse who was married to a member or former member for at least 20 years, during which period the member or former member performed at least 20 years of service that are creditable in determining the member’s or former member’s eligibility for retired or retainer pay, or equivalent pay in accordance with Reference (v).

Unremarried Former Spouse. An unremarried former spouse of a member or former member of the Uniformed Services, who, on the date of the final decree of divorce, dissolution, or annulment, had been married to the member or former member for a period of at least 20 years, during which period the member or former member performed at least 20 years of service creditable for retired or retainer pay, or equivalent pay.

Carry-Out or Bagger Personnel. Individuals licensed by the installation commander for the purpose of engaging in a private for-profit business of bagging and carrying the purchases of authorized patrons at the installation commissary. Bagger personnel are self-employed persons who form a contractual relationship with each authorized patron for whom the bagger provides service.

Commissary. Any military retail sales outlet operated under the authority of this Instruction. Separate outlets for purposes of this Instruction are based upon geographic location, i.e., operated under one roof. Each separate operating location shall be considered a commissary regardless of sales volume or management/accountability structure. This includes outlets on the same installation or a previously designated annex, branch, or satellite store. Individual facilities under the same roof that are structured to operate at the convenience of the customer represent one commissary. Commissaries shall be sited for the convenience of active duty military patrons.

Commissary Trust Revolving Fund. The trust revolving fund maintained by the Department of Defense for surcharge collections.

Continental United States (CONUS). The 48 contiguous States and the District of Columbia.

Defense Retail Systems. The Defense commissary system and the exchange system and other revenue-generating facilities operated by nonappropriated fund instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the Armed Services.
Military Departments. See Reference (u).

Nonappropriated Fund Instrumentality (NAFI). Defined in DoD Instruction 1015.15 (Reference (w)).

Outside the Continental United States (OCONUS). Areas other than the 48 contiguous States and District of Columbia. Includes Alaska, Hawaii, and the U.S. Territories and Possessions.

Overseas. For purposes of this Instruction, Overseas applies to locations other than the 50 States and the District of Columbia.

Ready Reserve. For the purpose of commissary privileges, a member in good standing of the Ready Reserve. The Ready Reserve includes members of the Selected Reserve, Individual Ready Reserve, and Inactive National Guard who possess a Uniformed Services Identification Card. The Ready Reserve is comprised of military members of the Reserve and National Guard, organized in units, or as individuals, liable for recall to active duty to augment the Active components in times of war or national emergency under sections 12301(a) and 12302 of Reference (d).

Reserve Components. See Reference (u).

Retired Personnel. Retired personnel include the following categories:

All personnel carried on the official retired lists (Active and Reserve components) of the Uniformed Services who are retired with pay, granted retirement pay for physical disability, or entitled to retirement pay whether or not such pay is waived, or pending due to age requirement. (For Reserve components see chapters 67, 367, 571, and 867 of Reference (d).)

Personnel on the Emergency Officers’ Retired List of the Army, the Navy, and the Marine Corps.

Officials and crews of vessels, lighthouse keepers, and depot keepers of the former Lighthouse Service who retired under section 754a of title 33, U.S.C. (Reference (x)). This applies to retired civilian employees of the Coast Guard who, on June 30, 1939, were serving as officers or crew on Lighthouse Service vessels, lighthouse keepers, or depot keepers of the former Lighthouse Service, and who, after June 30, 1939, and at the time of retirement, were civilian employees of the Coast Guard serving as lighthouse keepers or on board lightships or other Coast Guard vessels.

Enlisted personnel transferred to the Fleet Reserve of the Navy and the Fleet Marine Corps Reserve, after 20 or more years of active service. (These personnel are equivalent to Army and Air Force retired enlisted personnel.)
Retired wage marine personnel, including retired noncommissioned ships officers and crew members of vessels of the National Oceanic and Atmospheric Administration (NOAA) and its predecessors.

**Sponsor.** For the purposes of this Instruction, an individual who is entitled to commissary benefits and privileges.

**Uniformed Services.** For the purposes of this Instruction, the Armed Services, the Commissioned Corps of the U.S. Public Health Service, and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) and its predecessors.

**United States.** For the purposes of this Instruction, the 50 United States and the District of Columbia.

**U.S. Territories and Possessions.** Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U. S. Virgin Islands.