



Department of Defense

DIRECTIVE

NUMBER 5515.06

October 25, 2004

Certified Current as of October 31, 2006

GC, DoD

SUBJECT: Processing Claims Arising out of Operations of Nonappropriated Fund Activities

- References:** (a) DoD Directive 5515.6, "Processing Tort, Contract and Compensation Claims Arising out of Operations of Nonappropriated Fund Activities," November 3, 1956 (hereby canceled)
- (b) Sections 1346(b), 2671-2680 of title 28, United States Code
 - (c) Chapter 163 of title 10, United States Code
 - (d) Sections 3701 and 3721 of title 31, United States Code

1. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to establish policy governing the administrative processing of claims arising out of the operation of nonappropriated fund activities.

2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of 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 in the Department of Defense (hereafter referred to collectively as the "DoD Components").

3. POLICY

3.1. Current procedures for similar claims against appropriated fund activities should be used to process tort and personnel claims arising out of the operations of nonappropriated fund activities, both inside and outside the United States. In cases where established procedures cannot be applied to such claims, procedures of general similarity shall be used.

3.2. The payment of tort claims arising from the operations of nonappropriated fund activities shall be in accordance with the following:

3.2.1. A tort liability claim brought under reference (b) or (c) is payable with nonappropriated funds when the negligent act or omission giving rise to liability was by a nonappropriated fund employee. Liability arising from acts or omissions of appropriated fund employees or active duty military members is payable with appropriated funds.

3.2.2. A personnel claim is payable with nonappropriated funds when the claimant is a nonappropriated fund employee. Military Personnel and Civilian Employees' Claims Act claims of appropriated fund employees and active duty military members brought pursuant to reference (d), even if working with a nonappropriated fund instrumentality, are compensable with appropriated funds.

4. RESPONSIBILITIES

4.1. The General Counsel of the Department of Defense shall issue DoD Instructions and other guidance to implement this Directive as appropriate.

4.2. The Secretaries of the Military Departments shall issue regulations to implement the foregoing policy as appropriate.

5. EFFECTIVE DATE

This Directive is effective immediately.

A handwritten signature in black ink that reads "Paul Wolfowitz". The signature is written in a cursive, flowing style with a long horizontal line extending to the right from the end of the name.

Paul Wolfowitz
Deputy Secretary of Defense