

**ESTABLISHMENT OF
DOD 7000.14-R, VOLUME 12, CHAPTER 30
“OPERATION AND USE OF GENERAL GIFT FUNDS OF
THE DEPARTMENT OF DEFENSE AND COAST GUARD”**

Substantive revisions are denoted by a ★ preceding the section or paragraph with the substantive change or revision

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
General	This policy and guidance was previously located in Volume 12, Chapter 3. Chapter 3 has been reinstated to its original language.	New
General	This new chapter implements the authority of Section 374 of the fiscal year 2006 National Defense Authorization Act which expanded the authority to accept gifts under 10 U.S.C. 2601. The chapter establishes responsibilities for accepting gifts. The chapter should be read in its entirety for a complete understanding of the responsibilities.	New

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★ CHAPTER 30 ★

**OPERATION AND USE OF GENERAL GIFT FUNDS OF
THE DEPARTMENT OF DEFENSE AND COAST GUARD**3001 INTRODUCTION

300101. Purpose. This Chapter prescribes the overall policy and assigns responsibilities for the acceptance, holding, administration, receipt, use, disbursement, and reporting of money, real or personal property, or services to the Department of Defense (DoD) under 10 U.S.C. section 2601.

300102. Definitions

A. Acceptance Authorities. The appropriate concerned Secretary and all designees who may accept gifts pursuant to this Chapter. The concerned Secretaries may approve additional delegations.

B. Ethics Counselor. Ethics Counselor is defined as set forth in DoD 5500.7-R, Joint Ethics Regulation (JER).

C. Gifts. Gifts include devises or bequests, and money, personal property, real property, or services.

D. Prohibited Sources. Prohibited Sources is defined as set forth in the JER.

E. Services. Services include activities that benefit the morale, welfare, or recreation of members of the armed forces and their dependents or are related or incidental to the conveyance of a gift of real or personal property.

3002 GIFTS UNDER 10 U.S.C. 2601(a)300201. Accounts

A. Defense General Gift Account. A special account is established in the Treasury of the United States for receipt of monetary gifts and proceeds from the sale of real or personal property gifts accepted by the Secretary of Defense or designee under 10 U.S.C. 2601(a).

B. Military Departments and U.S. Coast Guard General Gift Accounts. Each military department and the U.S Coast Guard has a special account established in the Treasury of the United States for receipt of monetary gifts and proceeds from the sale of real or personal property gifts accepted by their respective Secretaries under 10 U.S.C. 2601(a).

300202. Authority

A. Secretary of Defense. Section 374 of Public Law 109-163, "National Defense Authorization Act for Fiscal Year 2006," amends 10 U.S.C. 2601, to authorize the Secretary of Defense to accept, hold, administer, and spend any gift of real property, personal property, or money made on the condition that the gift be used for the benefit, or in connection with, the establishment, operation, or maintenance, of a school, hospital, library, museum, cemetery, or other institution or organization under the Secretary's jurisdiction.

B. Under Secretary of Defense (Comptroller) (USD(C)). All authority and responsibility associated with acceptance and use of such gifts has been delegated to the USD(C) in a letter signed by Secretary of Defense on May 3, 2007. The USD(C) may provide additional delegations of authority to accept gifts.

C. Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)). On behalf of the Secretary of Defense, the USD(AT&L) has authority and responsibilities associated with acceptance and use of such gifts of real or personal property, and may authorize the development of additional procedures for implementing this section.

D. Director, Administration and Management (DA&M). On behalf of the Secretary of Defense, the DA&M has authority and responsibility, including management responsibility, associated with acceptance and use of such gifts of real or personal property.

E. Military Departments. Under 10 U.S.C. 2601, the Secretaries of the Military Departments and the U.S. Coast Guard have all authority and responsibility to accept and use such gifts as described in section 300202.A for organizations under their jurisdiction. The Secretaries of the Military Departments and the U.S. Coast Guard shall ensure compliance with this section and establish procedures to ensure personnel are familiar with the requirements and restrictions on accepting gifts.

F. DoD Defense Agencies, the Chairman of the Joint Chiefs of Staff and the Joint Staff, and the Combatant Commands. On behalf of the Secretary of Defense, the heads of the DoD Defense Agencies, the Chairman of the Joint Chiefs of Staff and the Joint Staff, and the Commanders of the Combatant Commands have authority and responsibility associated with acceptance and use of such gifts or real or personal property valued at \$500,000 or less.

G. Washington Headquarters Services (WHS). On behalf of the Secretary of Defense, the Director of the WHS has authority to accept such gifts of personal property offered to the Office of the Secretary of Defense for use at facilities under his or her authority.

H. Defense Finance and Accounting Service (DFAS). The DFAS Trust Fund Accounting Division is responsible to accept all such monetary gifts and proceeds from the sale of real or personal property gifts given to the Department per the authority in section 300201 of this chapter. Gifts should be forwarded to DFAS, Indianapolis, 8899 East 56th Street ATTN: Trust Fund Accounting Division, Column 203L, Indianapolis, Indiana 46249-1500.

300203. Policy On Acceptance Of Gifts

A. Acceptance Authorities shall decline gifts under the following circumstances.

1. The use of the gift is in connection with any program, project, or activity that would result in the violation of any prohibition or limitation otherwise applicable to such program, project, or activity;

2. The gift or conditions attached to the gift are inconsistent with applicable law or regulations;

3. The use of the gift would reflect unfavorably on the ability of the Department of Defense or any personnel of the Department to carry out any responsibility or duty in a fair and objective manner;

4. The use of the gift would compromise the integrity or appearance of integrity of any program of the Department of Defense or any individual involved in such a program; and

5. Acceptance of the gift would not be in the best interests of the Department of Defense, including but not limited to the following, where it creates or requires:

a. The appearance or expectation of favorable consideration as a result of the gift;

b. The appearance of an improper endorsement of the donor, its events, products, services, or enterprises;

c. A serious question of impropriety in light of the donor's present or prospective business relationships with the Department of Defense;

d. The expenditure or use of funds in excess of amounts appropriated by Congress; and

e. Substantial expenditures or administrative efforts and maintenance that are disproportionate to any benefit.

B. Department personnel shall not solicit, fundraise for, or otherwise request or encourage the offer of a gift. Acceptance Authorities shall not accept gifts offered contrary to this policy.

C. Acceptance Authorities may pay all necessary expenses in connection with the conveyance or transfer of a gift.

D. Acceptance Authorities shall use increased sensitivity and scrutiny when gifts are offered from prohibited sources, as acceptance may cause embarrassment to the Department of Defense or the appearance of influencing official decisions or actions of the Department, and shall consult with their appropriate Ethics Counselor before accepting such a gift valued in excess of \$10,000 to determine whether the donor is involved in any claims, procurement actions, litigation, or other particular matters involving the Department that should be considered prior to gift acceptance.

E. Acceptance Authorities may acknowledge offers of future gifts and advise the donors that acceptance will occur after actual presentation of the gifts only when they determine that such acceptance will likely occur.

F. Acceptance Authorities shall not accept gifts offered indirectly through an intermediary if they could not accept such gifts if offered directly from the source.

G. The circumstances at 300203.A.-F. shall also apply to the Coast Guard when functioning under the authority of the Department of Defense.

300204. Receiving Gifts

A. All monetary gifts shall be forwarded to the DFAS Trust Fund Accounting Division at the address provided in Section 300202.H or via an electronic funds transfer (EFT). Department officials should contact the DFAS Trust Fund Accounting Division for EFT deposit information.

B. Gifts of money and the proceeds of the sale of property gifts shall be deposited in the Treasury in the following accounts:

1. The Department of Defense General Gift Fund in the case of deposits made by the Secretary of Defense or designee.

2. The Department of the Army General Gift Fund, in the case of deposits made by the Secretary of the Army.

3. The Department of the Navy General Gift Fund, in the case of deposits made by the Secretary of the Navy.

4. The Department of the Air Force General Gift Fund, in the case of deposits made by the Secretary of the Air Force.

5. The Coast Guard General Gift Fund, in the case of deposits made by the Secretary of Homeland Security.

300205. Reporting Gifts

A. Acceptance Authorities shall keep accurate, auditable, and timely records of all gifts and provide this information for periodic audits. The receiving organization must obtain and retain the required documentation and information for all gifts received. For audit purposes, the supporting documentation for monetary and nonmonetary gifts must be retained for 6 years and 3 months beyond the life of the asset.

1. Receipts. Acceptance Authorities shall report the following information to the DFAS Trust Fund Accounting Division not later than 10 days after the end of each quarter. Cash and non-monetary gifts shall be reported separately.

- a. A description of the gift.
- b. The value of the gift (estimated value if non-monetary) to include the valuation method used.
- c. The name and address of the donor(s).
- d. The date received for each gift.
- e. The expected useful life of the donation.
- f. Details of any conditions, restrictions, or other relevant specific information regarding each gift.
- g. A unique identifier or data element used to track the same or similar non-monetary items received or shipped from different sources.
- h. Statement explaining the benefits of accepting the gift.

2. Non-monetary Gifts Sold. Acceptance Authorities shall ensure that the following information concerning items sold is retained in the records.

- a. A description of each item sold.
- b. The name of the donor for each item sold.
- c. The date each item was sold.
- d. The name of the purchaser for each item sold.
- e. The proceeds of the item sold.

f. Details of any other relevant specific information regarding each item sold.

g. If applicable, the unique identifier or data element used to track the same or similar non-monetary item.

B. DFAS shall prepare a report containing the following information and forward to the USD(C) not later than 15 days after the end of each quarter.

1. Summary values of monetary and non-monetary gifts accepted during the quarter.

2. A description of all property valued at more than \$1 million. In determining whether the \$1 million threshold has been met, the following procedures shall be used:

a. The value of similar items accepted during the quarter shall be added together.

b. The value of components which, if assembled, would comprise all or a substantial portion of an item or facility shall be added together.

300206. Investing Gifts. The DFAS Trust Fund Accounting Division shall follow the following procedures:

A. Cash Management. Consistent with good cash management practices, funds shall be invested in Government securities until distribution is authorized.

B. Purchasing Government Securities. The DFAS Trust Fund Accounting Division shall follow the standard operating procedures related to the accounts in this chapter for purchasing Government securities.

C. Selling Securities. The DFAS shall follow standard operating procedures to initiate and complete the sale of a security or securities.

D. Maturing Securities. The DFAS Trust Fund Accounting Division shall maintain a tracking system that identifies impending maturities and collections of securities for the specified account and ensure appropriate reinvestment action is taken upon maturity of a security.

E. Annual Reviews. The DFAS Trust Fund Division Accounting will conduct an annual review of the account operations and transactions, including the purchase and sale of investments. The objective of the review will include compliance with the DoD and the Treasury policies and procedures, and adequacy of internal controls.

3003 GIFTS UNDER 10 U.S.C. 2601(b)300301. Accounts

A. Defense General Gift Account. A special account is established in the Treasury of the United States for receipt of monetary gifts and proceeds from the sale of real or personal property gifts accepted by the Secretary of Defense or designee under 10 U.S.C. 2601(b).

B. Military Departments and U.S. Coast Guard General Gift Accounts. Each military department and the U.S Coast Guard has a special account established in the Treasury of the United States for receipt of monetary gifts and proceeds from the sale of real or personal property gifts accepted by their respective Secretaries under 10 U.S.C. 2601(b).

300302. Authority

A. Secretary of Defense. Section 374 of Public Law 109-163, "National Defense Authorization Act for Fiscal Year 2006," amends 10 U.S.C. 2601, adding subsection (b) to authorize the Secretary of Defense to accept, hold, administer, and spend any gift of real property, personal property, money, or services made on the condition that the gift be used for the benefit of the following individuals.

1. Members of the armed forces, including members performing full-time National Guard duty under 32 U.S.C. 502(f), who incur a wound, injury, or illness while in the line of duty.

2. Civilian employees of the Department of Defense who incur a wound, injury, or illness while in the line of duty.

3. Dependents of such members or employees.

4. Survivors of such members or employees who are killed.

Unless reauthorized by law, the authority to accept gifts under subsection (b) expires on December 31, 2007.

B. Under Secretary of Defense (Comptroller) (USD(C)). All authority and responsibility associated with acceptance and use of such gifts has been delegated to the USD(C) in a letter signed by Secretary of Defense on May 3, 2007. The USD(C) may provide additional delegations of authority to accept gifts.

C. Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)). On behalf of the Secretary of Defense, the USD(AT&L) has authority and responsibilities associated with acceptance and use of such gifts of real or personal property or services and may authorize the development of additional procedures for implementing this section.

D. Under Secretary of Defense (Personnel and Readiness) (USD(P&R)). The USD(P&R) shall establish procedures for verifying the eligibility of individuals to receive benefits under 10 U.S.C. 2601(b), may authorize the development of additional procedures for implementing this section and, on behalf of the Secretary of Defense, has authority and responsibilities associated with acceptance and use of such gifts of real or personal property or services.

E. Director Administration and Management (DA&M). On behalf of the Secretary of Defense, the DA&M has authority and responsibility, including management responsibility, associated with acceptance and use of such gifts of real or personal property or services.

F. Military Departments. Under 10 U.S.C. 2601(b), the Secretaries of the Military Departments and the U.S. Coast Guard have all authority and responsibility to accept and use such gifts as described in section 300302.A for the benefit of individuals described in that section who are under their jurisdiction. The Secretaries of the Military Departments and the U.S. Coast Guard shall ensure compliance with this section and establish procedures to ensure personnel are familiar with the requirements and restrictions on accepting gifts.

G. DoD Defense Agencies, the Chairman of the Joint Chiefs of Staff and the Joint Staff, and the Combatant Commands. On behalf of the Secretary of Defense, the heads of the DoD Defense Agencies, the Chairman of the Joint Chiefs of Staff and the Joint Staff, and the Commanders of the Combatant Commands have authority and responsibility associated with acceptance and use of such gifts or real or personal property or services valued at \$500,000 or less.

H. Washington Headquarters Services (WHS). On behalf of the Secretary of Defense, the Director of the WHS has authority to accept such gifts of personal property and services offered to the Office of the Secretary of Defense for the benefit of individuals described in section 300302.A. at facilities under his or her authority.

I. Defense Finance and Accounting Service (DFAS). The DFAS Trust Fund Accounting Division is responsible to accept all such monetary gifts and proceeds from the sale of real or personal property gifts given to the Department per the authority in section 300301 of this chapter. Gifts should be forwarded to DFAS, Indianapolis, 8899 East 56th Street ATTN: Trust Fund Accounting Division, Column 203L, Indianapolis, Indiana 46249-1500.

300303. Policy on Acceptance of Gifts

A. Acceptance Authorities shall decline gifts under all the circumstances described at 300203.

B. The circumstances at 300203 shall also apply to the Coast Guard when functioning under the authority of the Department of Defense.

C. The following circumstances also apply to gifts accepted pursuant to the authority of this section.

1. Acceptance Authorities shall consult with their appropriate Ethics Counselor before accepting gifts valued in excess of \$10,000 to ensure that:

a. The gift is not offered in a manner that specifically discriminates among DoD personnel merely on the basis of type of official responsibility or of favoring those of higher rank or rate of pay; and

b. The donor does not have interests that may be affected substantially by the performance or nonperformance of the DoD employee's official duties.

2. Acceptance Authorities may not accept a gift of services under this section from a foreign government or international organization. They may accept a gift of real property, personal property, or money from a foreign government or international organization under this section only if the gift is not designated for a specific individual.

300304. Receiving Gifts

A. All monetary gifts shall be forwarded to the DFAS Trust Fund Accounting Division at the address provided in Section 300202.H or via an electronic funds transfer (EFT). Department officials should contact the DFAS Trust Fund Accounting Division for EFT deposit information.

B. Gifts of money and the proceeds of the sale of property gifts shall be deposited in the Treasury in one of the accounts listed in 300204, as appropriate.

300305. Reporting Gifts

A. Acceptance Authorities shall keep accurate, auditable, and timely records of all gifts and provide the information at 300205 for periodic audits. The records for nonmonetary assets shall be retained for 6 years and 3 months beyond the life of the asset. For monetary donations the documentation shall be kept for 6 years and 3 months.

1. Receipts. Acceptance Authorities shall report the information at 300205.A.1. to the DFAS Trust Fund Accounting Division not later than 10 days after the end of each quarter.

2. Non-monetary Gifts Sold. Acceptance Authorities shall ensure that the information in 300205.A.2. is retained in the records.

B. DFAS shall prepare a report containing the information at 300205.B. and forward it to the USD(C) not later than 15 days after the end of each quarter.

300306. Investing Gifts. The DFAS Trust Fund Accounting Division shall follow the procedures contained in section 300206 for cash management, purchasing, selling, and managing maturing securities. The DFAS Trust Fund Accounting Division will conduct an annual review of the Department of Defense General Gift Fund in accordance with section 300206.