

<p style="text-align: center;">DOD 7000.14-R, VOLUME 12, CHAPTER 31 “DoD BRANDING AND TRADEMARK LICENSING PROGRAM PROCEDURAL AND ACCOUNTING GUIDANCE”</p> <p style="text-align: center;">All changes are denoted by blue font.</p> <p style="text-align: center;">Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes revision</p> <p style="text-align: center;">Hyperlinks are denoted by <u>underlined, bold italic, blue font.</u></p> <p style="text-align: center;"><u>This is a new Department of Defense Financial Management Regulation (“DoDFMR”) Chapter</u></p>		
PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
	<p>Incorporates the Under Secretary of Defense (Comptroller) September 12, 2005 memorandum on “Clearing Account for Trademark Licensing” as a permanent part of the DoD Financial Management Regulation. Subject procedures were modified to accommodate the current authorizing statute, Title 10, United States Code (U.S.C.), Section 2260</p>	

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CHAPTER 31

DoD BRANDING AND TRADEMARK LICENSING PROGRAM
PROCEDURAL AND ACCOUNTING GUIDANCE3101 OVERVIEW

310101. Purpose. This chapter establishes the policy used to account for fees received by the Department of Defense (DoD) from the licensing of trademarks, service marks, certification marks and collective marks. This program authorized under 10 U.S.C. 2260 is implemented by DoD Directive 5535.09, “Department of Defense Branding and Trademark Licensing Program.”

310102. Scope. Guidance applies to DoD Components which for the purpose of this chapter includes the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff or the Joint Staff, the United and Specified Combatant Commands, the Office of the Inspector General of DoD, the Defense Agencies, the DoD Working Capital Fund Activities, the DoD Field Activities, and all other organizational entities in DoD.

3102 RESPONSIBILITIES

310201. The Assistant Secretary of Defense for Public Affairs. The Assistant Secretary of Defense for Public Affairs (ASD-PA) is the proponent agency for the DoD Branding and Trademark Licensing Program and has overall responsibility for the operation of the program, defining program costs and establishing procedures to ensure the proper use of program funds.

310202. DoD Components. The DoD Components operating a trademark licensing program under the provisions of 10 U.S.C. 2260 and DoD Directive 5535.09 are responsible for ensuring that:

A. A single individual or office has been designated within the DoD Component to review and approve all requests for the use of funds deposited into the Budget Clearing (Suspense) Account for Trademark Licensing. That the individual or office shall be responsible for ensuring that all funds withdrawn from the account are only used for purposes authorized. A record of all such requests and the action taken on them shall be retained in accordance with Volume 1, Chapter 9 of this Regulation.

B. There is a complete and accurate accounting for all trademark licensing fees received.

C. All fees received are promptly deposited and recorded in the appropriate Treasury Index (17, 21, 57 or 97) Budget Clearing Account (Suspense) Account (F3875.002 and Defense Finance and Accounting Service (DFAS) limit 200). Guidance on processing collections can be found in Volume 5, Chapter 10 of this Regulation.

D. Fees collected are only used for payment of costs incurred in securing trademark registrations and operating the licensing program and for support of morale, welfare,

recreation activities when fees available for a fiscal year exceed the amount needed for payment of such costs.

3103 ACCOUNTING AND REPORTING

310301. Accounting

A. Fees received in a fiscal year shall remain available for obligation in such fiscal year and the following two fiscal years.

B. The excess of licensing fees collected over annual costs may be expended to support morale, welfare, and recreation (MWR) activities. The law does not require that the excess be obligated in the fiscal year collected. The excess may be used in the two following fiscal years to offset those fiscal year costs of the licensing program or may be expended in support of the DoD Component's MWR activities. Licensing fees collected shall be deposited in the appropriate DoD Component Budget Clearing Account (suspense) F3875.002 and DFAS limit 200.

C. Funds not obligated or made available to morale, welfare and recreation activities before September 30 of the second fiscal year following the year collected shall be deposited to R3210, "General Fund Proprietary Receipts, Defense Military, Not Otherwise Classified."

D. Additional accounting codes may be used to separately track unobligated funds carried forward from the fiscal year of collection through the following two fiscal years.

E. Each DoD Component shall ensure that all royalty reports received from licensees and/or licensing agents are promptly reviewed and any questions resolved. Copies of royalty reports shall be retained in accordance with Volume 1, Chapter 9 of this Regulation.

310302. Reporting. Each DoD Component operating a trademark licensing program shall provide the Director, DoD Branding and Trademark Licensing Office (BTLO), with the following financial reports. The Director, BTLO may issue guidance prescribing the required format of the reports and the specific information to be provided.

A. Quarterly Reports. The following quarterly reports shall be forward to the Director, BTLO, within 30 days following the end of each calendar quarter.

1. Income and Expense Report. The Income and Expense Report shall show the total fees received from trademark licensing during the preceding calendar quarter. It should also show the total costs paid for securing trademark registrations and the total costs paid for operating the trademark licensing program.

2. Other Reports. The Director, BTLO may require other quarterly reports as the Director deems necessary to assure compliance with reference DoD Directive 5535.09.

B. Annual Reports. The following annual reports shall be forward to the Director, BTLO, within 45 days following the end of the fiscal year.

1. Trademark Account Fund Aging Report. The Trademark Account Fund Aging Report shall show in detail the age of all funds currently in the DoD Component's Budget Clearing (Suspense) Account for Trademark Licensing and the date on which those funds will expire.

2. MWR Funding Report. The MWR Funding Report shall show all funds transferred during the preceding fiscal year to an MWR activity under the control of the Secretary concerned. If more than one MWR activity received funding, the report shall identify each activity and the amount it received. If more than one trademark licensing program is operated by a DoD Component, separate reports shall be issued for each program.

3. Other Reports. The Director, BTLO may require other annual reports as the Director deems necessary to assure compliance with reference *DoD Directive 5535.09*.