MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Gifts to Benefit Military Musical Units

This memorandum establishes new gift acceptance policy and reporting requirements for
the acceptance of gifts to benefit military musical units in accordance with 10 U.S.C. § 974(d) as
amended by § 351 of the National Defense Authorization Act for Fiscal Year 2014 (referred to
herein as § 974(d)). These requirements are effective immediately.

The Secretaries of the Military Departments are designated as Acceptance Authorities
under § 974(d). The gift must be used for the benefit of a military musical unit under the
jurisdiction of the Secretary concerned. The statute provides for the acceptance of monetary or
nonmonetary gifts with specific criteria. The Department of Defense (DoD) prohibits the
acceptance of cash in the form of currency; however, cash instruments, i.e., gift cards and checks
are authorized. Cash instruments accepted under § 974(d) must be recorded in the existing
appropriation used to fund the military musical units and are subject to the same period of
availability and any other restrictions or limitations of the appropriation. (Note that this differs
from gift acceptance under 10 USC § 2601 that established separate gift fund accounts).
Solicitation of gifts (monetary or nonmonetary) is prohibited within DoD.

Acceptance Authorities must consult with their ethics counselor to ensure the gift and gift
source is appropriate for DoD acceptance. The only gifts that DoD may consider under § 974(d)
are contributions of cash instruments (gift cards and checks) and personal property or services
for the benefit of a military musical unit. Events supported by such a gift must align with the
Department’s mission and requirements prescribed in the DoD approved Community Relations
Outreach Plan for the fiscal year. Events that are not included in the aforementioned Plan may
be submitted to the Assistant to the Secretary of Defense for Public Affairs (ATSD(PA)) for
consideration. The ATSD(PA) will only approve events that are national in scope or determined
to be in the best interests of the Department. As Acceptance Authorities, the Service Secretaries
must consider the fundamental missions of military bands when contemplating acceptance of a
gift to sponsor an event. Note that the provision of a performance venue and associated
performance support services by a requestor are not considered a gift.

Acceptance Authorities must keep accurate, auditable, and timely records of all gifts.
Records must be protected in accordance with DoD policy for personally identifiable
information. The supporting documentation for all gifts must be retained for six years and three
be prepared and submitted to Congress annually for all gifts accepted during the fiscal year. The
required report information must identify the military musical unit, the Acceptance Authority or
designated official, a description of the gift, the value of the gift (actual value for cash
instruments and estimated value for nonmonetary) and the valuation method used, name and
address of the donor, the date the gift was received, a statement identifying the benefit of the gift,
and any additional relevant details. In addition, any gifts that are rejected by Acceptance
Authorities must be documented to include the reason for the rejection. The report must be
submitted to Congress after the end of each fiscal year but no later than January 30 each year. A
copy of the report must be provided to the Office of the Under Secretary of Defense
(Comptroller), Deputy Chief Financial Officer; and the Office of the Assistant Secretary of
Defense for Public Affairs (OASD(PA)), Community and Public Outreach (CPO) division. In
accordance with DoD policy for personally identifiable information, encryption is required for
electronic submissions.

The gift acceptance and reporting requirements will be incorporated into the DoD
Financial Management Regulation, Volume 12. Performance requirements for military musical
units will be incorporated into DoD Instruction 5410.19, “Public Affairs Community Relations
Policy Implementation.” The OASD(PA) will provide guidance to military musical units to
facilitate immediate implementation.

My staff point of contact for gift acceptance policy is Ms. Charlotte Beacham, at
charlotte.d.beacham.civ@mail.mil or 703-571-1653. The point of contact for OASD(PA)/CPO
is Ms. Rene C. Bardorf, Deputy Assistant Secretary of Defense for Community and Public
Outreach, at rene.c.bardorf.civ@mail.mil or 703-693-2337.

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