

VOLUME 12, CHAPTER 30: “OPERATION AND USE OF GENERAL GIFT FUNDS”

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated [August 2018](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
300102.E	Added statutory reference to Title 10, United States Code, section 1501a(e) for the use any gift of personal property, money, or services made on the condition that the gift be used for the purpose of facilitating accounting for missing persons.	Addition
300302.C	Included a new Office of the Chief Management Officer (OCMO) designation. According to the new Office of the Chief Management Officer organizational structure, the Director, Administration and Management and the Organizational Policy and Decision Support Directorate merged into the “Administration and Organizational Policy.”	Revision

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CHAPTER 30

OPERATION AND USE OF GENERAL GIFT FUNDS

3001 GENERAL

300101. Purpose

The purpose of this chapter is to prescribe the overall policy and assigns responsibilities for the acceptance, holding, administration, receipt, recording, reporting, use, investment, distribution, disbursement, and accountability of money, real property, personal property, or services to the Department of Defense (DoD) under Title 10, United States Code (U.S.C.), sections (§§) [2601](#), [974\(d\)](#), and [1501a\(e\)](#).

300102. Authoritative Guidance

A. 10 U.S.C. § 2601(a)

10 U.S.C. § 2601(a) authorizes the Secretary of Defense and Secretaries of the Military Departments to accept, hold, administer, and spend any gift of money, real property, or personal property 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 a Secretary's jurisdiction.

1. Section 2601(a)(2)(A) authorizes the Secretary of Defense and Secretaries of the Military Departments to accept a gift of services for a military museum program from a nonprofit entity established for the purpose of supporting a military museum program. Employees or personnel of a nonprofit entity who provide a gift of services may not be considered to be employees of the United States.

2. Section 2601(a)(2)(B) authorizes the Secretary of Defense and Secretaries of the Military Departments to solicit from a bona fide collector a gift of books, manuscripts, works of art, historical artifacts, drawings, plans, models, or condemned or obsolete combat materiel for the use and benefit of a military museum program.

B. 10 U.S.C. § 2601(b)

10 U.S.C. § 2601(b) authorizes the Secretary of Defense and Secretaries of the Military Departments to accept, hold, administer, and spend any gift of money, real property, personal property, or services made on the condition that the gift be used for the benefit of the following individuals who are under their jurisdiction.

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.

C. 10 U.S.C. § 2601(e)

10 U.S.C. § 2601(e) authorizes the Secretary concerned to accept a gift under 10 U.S.C. § 2601(a) or 10 U.S.C. § 2601(b) consisting of the provision, acquisition, enhancement, or construction of real property offered to the United States Military Academy, the Naval Academy, and the Air Force Academy even though the gift will be subject to the condition that the real property, or a portion thereof, bear a specified name. Under this authority, Secretary concerned refers to the Secretary of the Military Department responsible for the particular Service Academy.

D. 10 U.S.C. § 974(d)

10 U.S.C. § 974(d) authorizes the Secretary of Defense and Secretaries of the Military Departments to accept contributions of money, personal property, or services on the condition that such money, property, or services be used for the benefit of a military musical unit under the jurisdiction of the Secretary. Any contribution of money must be credited to the appropriation or account providing the funds for such military musical unit and be available for the same purposes, and subject to the same conditions and limitations, as amounts in such appropriation or account.

* E. 10 U.S.C. § 1501a(e)

10 U.S.C. § 1501a(e) authorizes that the Secretary may accept, hold, administer, spend, and use any gift of personal property, money, or services made on the condition that the gift be used for the purpose of facilitating accounting for missing persons. All gifts and bequests of money accepted under this subsection must be deposited in the Department of Defense General Gift Fund.

3002 DEFINITIONS

A. Account. 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 to the Secretary of Defense or the Military Departments.

B. Acceptance Authorities. Acceptance Authorities are the appropriate concerned Secretary and all designees who may accept gifts pursuant to this chapter. The concerned Secretaries may approve additional delegations.

C. Ethics Counselor. Ethics Counselor is defined as set forth in [DoD 5500.7 - R, Joint Ethics Regulation \(JER\)](#).

D. Gifts. Gifts include devises or bequests, and money, real property, personal property, or services collectively referred to herein as gifts.

E. Prohibited Sources. Prohibited Sources are defined as set forth in the JER.

F. 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 in accordance with the 10 U.S.C. § 2601(b) and 10 U.S.C. § 2601(a)(2)(A) requirements. Performance of services includes non-monetary gifts of services through volunteer gratuitous agreements.

3003 DESIGNATIONS

The Secretary of Defense and the Secretaries of the Military Departments may approve additional Acceptance Authority designations under their jurisdiction. The Office of the Secretary of Defense (OSD) designations are as follows:

300301. Under Secretary of Defense (Comptroller) (USD(C))

All of the authority and responsibility granted to the Secretary of Defense in 10 U.S.C § 2601 associated with acceptance and use of such gifts has been delegated to the USD(C) in a letter signed by the Secretary of Defense on May 3, 2007.

300302. USD(C) Designations

The USD(C) prescribes additional designations of gift Acceptance Authority to the following OSD Components.

A. Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)). On behalf of the Secretary of Defense, the USD(A&S) has authority and responsibilities associated with acceptance and use of such gifts of real property or personal property under 10 U.S.C. §§ 2601(a) and 2601(b) or services under 10 U.S.C. § 2601(b), and may authorize the development of additional procedures for implementing policy in this chapter.

B. Under Secretary of Defense (Personnel and Readiness (USD(P&R))). On behalf of the Secretary of Defense, the USD(P&R) has authority and responsibilities associated with acceptance and use of such gifts of personal property under 10 U.S.C. §§ 2601(a) and 2601(b) or services under 10 U.S.C. § 2601(b).

* C. Administration and Organizational Policy. On behalf of the Secretary of Defense, the Administration and Organizational Policy has authority and responsibility, including management responsibility, associated with acceptance and use of such gifts of personal property under 10 U.S.C. §§ 2601(a) and 2601(b) or services under 10 U.S.C. § 2601(b).

D. DoD Defense Agencies, Joint Staff, and 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 Commanders of the Combatant Commands have authority and responsibility associated with acceptance and use of such gifts of personal property under 10 U.S.C. §§ 2601(a) and 2601(b) or services under 10 U.S.C. § 2601(b) valued at \$500,000 or less. All gifts over \$500,000 must be accepted by the USD(C).

E. 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 OSD for use at facilities under his or her authority under 10 U.S.C. §§ 2601(a) and 2601(b). The Director of the WHS also has the authority to accept such gifts of services for the benefit of individuals described in paragraph 300302 at facilities under his or her authority under 10 U.S.C. § 2601(b).

3004 RESPONSIBILITIES

300401. OSD Components

The OSD Components identified in paragraphs 300301 and 300302 and Acceptance Authority designees must ensure compliance with policy in this chapter and must establish procedures to ensure personnel are familiar with the restrictions on accepting gifts and requirements for receiving, recording, reporting, and accounting for gifts.

300402. Military Departments

The Secretaries of the Military Departments and Acceptance Authority designees must ensure compliance with policy in this chapter and establish procedures to ensure personnel are familiar with the restrictions on accepting gifts and requirements for receiving, recording, reporting, and accounting for gifts.

300403. Defense Finance and Accounting Service (DFAS)

The DFAS is responsible for the accounting, investing, and reporting of all such monetary gifts and proceeds from the sale of real property or personal property gifts accepted by the Acceptance Authorities and forwarded to DFAS as prescribed in section 3006.

300404. Under Secretary of Defense (Personnel and Readiness) (USD(P&R))

The USD(P&R) must establish procedures for verifying the eligibility of individuals to receive benefits under 10 U.S.C. § 2601(b) as identified in subparagraphs 300102.B.1-4 and may authorize the development of additional procedures for implementing 10 U.S.C. § 2601(b).

3005 ACCEPTANCE

300501. Circumstances to Decline Acceptance

Acceptance Authorities must decline gifts under the following circumstances.

A. 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;

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

C. 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;

D. 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

E. 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:

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

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

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

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

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

6. Gift acceptance or the imposition of naming-rights under 10 U.S.C. § 2601(e) that would not reflect favorably upon the Department of Defense; or

7. The real property subject to the gift naming condition has not been named by an act of Congress.

300502. Department of Defense Personnel

Department of Defense personnel must not solicit, fundraise for, or otherwise request or encourage the offer of a gift. Acceptance Authorities must not accept gifts offered contrary to this policy. Notwithstanding this general prohibition, the Secretary of Defense may solicit from a bona fide collector, a gift for the use and benefit of a military museum program in accordance with the provision of 10 U.S.C. § 2601(a)(2)(B).

300503. Related Expenses

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

300504. Offers from Prohibited Sources

Acceptance Authorities must 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 must 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.

300505. Acknowledgement of Future Gifts

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.

300506. Acceptance through Intermediaries

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

300507. Circumstances under 10 U.S.C. § 2601(b)

The following circumstances also apply to gifts accepted pursuant to the authority in 10 U.S.C. § 2601(b).

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

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

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

B. Acceptance Authorities may not accept a gift of services under 10 U.S.C. § 2601(b) from a foreign government or international organization. They may accept a gift of money, real property, or personal property from a foreign government or international organization under 10 U.S.C. § 2601(b) only if the gift is not designated for a specific individual.

300508. Circumstances under 10 U.S.C. § 2601(e)

The following circumstances also apply to gifts accepted pursuant to the authority in 10 U.S.C. § 2601(e).

A. The authority to accept gifts under section 2601(e) may be delegated by the Secretary concerned only to a civilian Presidential Appointee in a Position Requiring Senate Confirmation. This authority may not be further re-delegated.

B. The Secretary concerned must issue uniform regulations governing the circumstances under which gifts conditioned on naming-rights may be accepted, appropriate naming conventions, and suitable display standards. The naming conventions and suitable display standards must be in accordance with Unified Facilities Criteria ([UFC 3-120-01](#)) and other implementing guidance issued under the purview of the USD(A&S).

C. The Secretary concerned or designee must decline conditional gifts offered under section 2601(e) unless the donor agrees in writing that the Military Department retains the right to remove or alter the name if a determination is made that:

1. The donor has committed an immoral act or engaged in unethical conduct;
2. The donor has engaged in activities that reflects unfavorably on the United States; or
3. A subsequent donor offers to significantly alter a facility, and such subsequent gift is worthy of receiving naming-rights.

3006 RECEIPT

300601. Monetary Gifts

All monetary gifts must be forwarded to the DFAS office servicing the Acceptance Authority via mail or an electronic funds transfer (EFT). Department of Defense officials should contact the DFAS for EFT deposit information.

300602. Gift Fund Accounts

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

A. The Department of Defense General Gift Fund in the case of deposits made by the Secretary of Defense or Secretary of Defense Acceptance Authority designees.

B. The Department of the Army General Gift Fund, in the case of deposits made by the Secretary of the Army or Secretary of the Army Acceptance Authority designees.

C. The Department of the Navy General Gift Fund, in the case of deposits made by the Secretary of the Navy or Secretary of the Navy Acceptance Authority designees.

D. The Department of the Air Force General Gift Fund, in the case of deposits made by the Secretary of the Air Force or Secretary of the Air Force Acceptance Authority designees.

300603. Accounting Transactions

Accounting entries for monetary, nonmonetary, and service type gifts are specified in the [United States Standard General Ledger Standard Financial Information Structure](#) Transaction Library.

3007 RECORDS AND REPORTS

300701. Records

A. Acceptance Authorities must keep accurate, auditable, and timely records of all gifts and provide this information for periodic audits. The receiving organization must obtain and retain in gift fund records the required documentation and information for all gifts received including the date nonmonetary gifts were transferred to property records and the unique identifier or data element, if applicable (see property accountability requirements in section 3009). 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.

B. Acceptance Authorities must ensure that the following information concerning items sold is documented and retained in the records.

1. A description of each item sold.
2. The name of the donor for each item sold.
3. The date each item was sold.
4. The name of the purchaser for each item sold.

5. The proceeds of the item sold.
6. Details of any relevant specific information regarding each item sold.
7. If applicable, the unique identifier or data element used to track the same or similar nonmonetary item such as a Real Property Unique Identifier from the Department of Defense Real Property Unique Identifier Registry or accountable property data elements (see property accountability policy cited in section 3009).

300702. Reports

A. DFAS Standards and Compliance (Corporate Reporting) must develop and require a standardized report for Acceptance Authorities or designees to use in order to report the following information to DFAS quarterly.

1. A description of the gift.
2. The value of the gift (estimated value if nonmonetary) to include the valuation method used.
3. The name and address of the donor(s).
4. The date each gift was received.
5. The expected useful life of the gift (the length of time in which a depreciable asset is expected to be used).
6. Details of any conditions, restrictions, or other relevant specific information regarding each gift.
7. If applicable, a unique identifier or data element used to track the same or similar nonmonetary items received or shipped from different sources.
8. Statement explaining the benefits of accepting the gift.
9. The authority, either 10 U.S.C. § 2601(a), 10 U.S.C. § 2601(a)(2)(A), 10 U.S.C. § 2601(a)(2)(B), 10 U.S.C. § 2601(b), or 10 U.S.C. § 1501a(e) under which the gift was accepted.

B. Acceptance Authorities must report the information in paragraph 300702.A for all monetary gifts and real property gifts along with personal property gifts and services with a unit value of \$5,000 or more to the DFAS office servicing each Secretary (Defense, Army, Navy, and Air Force) not later than 10 days after the end of each quarter. Monetary, real property, and personal property gifts must be reported separately.

C. Acceptance Authorities must prepare a separate report entitled "Donations to Military Musical Units under 10 U.S.C. § 974(d)". The report must be submitted to Congress annually for all gifts accepted during the fiscal year by Military Musical Units. A copy of the report must be provided to the OUSD (C), Deputy Chief Financial Officer; and the Office of the Assistant Secretary of Defense for Public Affairs (OASD(PA)), Community and Public Outreach (CPO) division.

D. The DFAS Standards and Compliance (Corporate Reporting) must prepare a report containing the following information and forward the information to the Office of the Under Secretary of Defense (Comptroller) Deputy Chief Financial Officer no later than 30 days after the end of each quarter.

1. Separate summary values for monetary and nonmonetary gifts accepted during the quarter. Also, separate as to the authority, identified in subparagraph 300702.A.9, under which the gift was accepted.

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 must be used:

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

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

3008 INVESTMENTS

The DFAS must:

A. Invest general gift funds in Government securities until distribution is authorized consistent with good cash management practices;

B. Follow standard operating procedures related to the accounts in paragraph 300602 for purchasing Government securities;

C. Follow standard operating procedures to initiate and complete the sale of Government securities;

D. 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. Conduct an annual review of the account operations and transactions, including the purchase and the sale of Government securities. The objective of the review will

include compliance with the Department of Defense and the Treasury policies and procedures, and adequacy of internal controls.

3009 PROPERTY ACCOUNTABILITY

Acceptance Authorities must establish procedures for receiving, accounting, and disposing of real and personal property gifts. Property accountability procedures must be addressed or referenced in general gift acceptance procedures. Property accountability procedures must be consistent with policy prescribed in the DoD Instruction [\(DoDI\) 4165.14](#) “Real Property Inventory and Forecasting”, [DoDI 4165.70](#) “Real Property Management”, [DoDI 4165.71](#) “Real Property Acquisition”, [DoDI 4165.72](#) “Real Property Disposal”, and [DoDI 5000.64](#) “Accountability and Management of DoD Owned Equipment and Other Accountable Property”.