

VOLUME 12, CHAPTER 31: “DOD BRANDING AND TRADEMARK LICENSING PROGRAM PROCEDURAL AND ACCOUNTING GUIDANCE”

SUMMARY OF MAJOR CHANGES

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

Substantive revisions are denoted by a * 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 October 2008 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
310202.A	Incorporated the Under Secretary of Defense (Comptroller) April 15, 2009, policy memorandum covering responsibility details as a permanent part of the DoD Financial Management Regulation. The information clarified the responsibilities of appointees of the DoD Branding and Trademark Licensing Program.	Add
310202.E	Incorporated the Under Secretary of Defense (Comptroller) dated April 15, 2009, policy memorandum on collection of licensing fees from licensees as a permanent part of the DoD Financial Management Regulation.	Add
Multiple	Updated statutory references and hyperlinks.	Update
Multiple	Changed the designation of Director, DoD Branding and Trademark Licensing Office to Manager, DoD Branding and Trademark Licensing Program throughout the chapter.	Update

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CHAPTER 31

DOD BRANDING AND TRADEMARK LICENSING PROGRAM
PROCEDURAL AND ACCOUNTING GUIDANCE

3101 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 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 is designated within the DoD Component to review and approve all requests for the use of funds deposited into the Component's Budget Clearing (Suspense) Account. The designated individual or office shall be responsible for ensuring that all funds reallocated from the Suspense account into the proper receipt or expenditure account are to be used only for authorized purposes. To ensure an independent review of the request, no individual or office may both request and approve the reallocation (transfer) of such funds. The appointment of this person or office shall be done in writing in the form of an appointment order or similar document. A copy of the appointment shall be provided to the DoD Component's supporting representative at the Defense Finance and Accounting Service (DFAS) and to the Manager, DoD Branding and Trademark Licensing Program (BTLP).

A record of all requests for the transfer of funds and the action taken on them shall be retained in accordance with Volume 1, Chapter 9.

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.

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.

* E. Unless otherwise authorized by the Manager, BTLP, all licensing fees held by licensees and/or licensing agents are paid over to the DoD Component operating the program within 60 days following the end of each calendar quarter.

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 reallocated (transferred) 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.

310302. Reporting

Each DoD Component operating a trademark licensing program shall provide the [Manager](#), DoD Branding and Trademark Licensing Program (BTLP), with the following financial reports. The [Manager](#), BTLP, 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 [Manager](#), BTLP, 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 [Manager](#), BTLP may require other quarterly reports as the [Manager](#) deems necessary to assure compliance with reference [DoD Directive 5535.09](#).

B. Annual Reports. The following annual reports shall be forward to the [Manager](#), BTLP, 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 [Manager](#), BTLP may require other annual reports as the [Manager](#) deems necessary to assure compliance with reference [DoD Directive 5535.09](#).