



UNDER SECRETARY OF DEFENSE  
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COMPTROLLER

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 months. A report entitled "Donations to Military Musical Units under 10 U.S.C. § 974(d)" must 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](mailto: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](mailto:rene.c.bardorf.civ@mail.mil) or 703-693-2337.



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