From: Secretary of the Navy

Subj: ACCEPTANCE OF GIFTS

Ref: See enclosure (1)

Encl: (1) References
      (2) Definitions
      (3) Responsibilities

1. Purpose. This instruction revises Department of the Navy (DON) guidance on gift acceptance and outlines procedures for gift processing. This issuance is a complete revision requiring full review. This guidance does not pertain to gifts given to individuals covered under references (a) and (b) (see enclosure (1)). Individuals accepting personal gifts under references (a) and (b) should consult with their ethics counselor prior to acceptance.

2. Cancellation. SECNAVINST 4001.2J.

3. Definitions. See enclosure (2).

4. Applicability. This instruction applies to the Office of the Secretary of the Navy (Secretariat), the Chief of Naval Operations (CNO), the Commandant of the Marine Corps (CMC), and all U.S. Navy (USN) and U.S. Marine Corps (USMC) installations, commands, activities, field offices, and all other organizational entities within the DON (hereinafter collectively referenced as “Activities”).

5. Policy

   a. This instruction provides guidance on gift acceptance and outlines procedures for gift processing for gifts to the DON.
b. Scope

(1) Acceptance of gifts for the benefit of, or in connection with, the establishment, operation, or maintenance of a school, hospital, library, museum, cemetery, or any other institution or organization under the jurisdiction of the Secretary of the Navy (SECNAV), authorized by section (a) of reference (c);

(2) Acceptance of gifts for the benefit of members of the Military Services, who incur a wound, injury, or illness while in the line of duty; civilian employees of the Department of Defense who incur a wound, injury, or illness while in the line of duty; dependents of such members or employees; and survivors of such members or employees who are killed, authorized by section (b) of reference (c);

(3) Acceptance of gifts made specifically to the U.S. Naval Academy (USNA) and the USNA Museum, including gifts made specifically to the USNA and USNA Museum authorized by reference (d), support of the athletic and physical fitness programs of the USNA received from the Naval Academy Athletic Association authorized by reference (e), and funds received from the National Collegiate Athletic Association to support the athletic and physical fitness programs of the USNA authorized by reference (e);

(4) Acceptance of gifts for the recreation, amusement, and contentment of enlisted members of the USN or USMC, authorized by reference (f);

(5) Acceptance and care of such gifts of silver, colors, books, or other articles of equipment or furniture, as in accordance with custom, are made to vessels of the Navy, authorized by reference (g);

(6) Acceptance of payment from a non-Federal source of travel expenses authorized under reference (h) and implemented by reference (i).

6. Responsibilities. See enclosure (3).
7. Records Management

   a. Primary program records for the acceptance of gifts are permanent per reference (j). Records created as a result of this instruction, regardless of media and format, shall be managed in accordance with reference (k). Acceptance authorities shall ensure that the record keeping requirements of paragraph 300701B of reference (l) are satisfied.

   b. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page: https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx

   c. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.

8. Forms and Reports

   a. Semi-annual Reports of Gifts of Travel. Individuals granted acceptance authority in enclosure (3), paragraph 1c(1) through 1c(6) to accept gifts of travel under reference (h) are required to submit semi-annual reports of gifts accepted under their delegation. The report is due to the Office of General Counsel (Assistant General Counsel (Ethics)) and will be prepared per reference (i). These reports will be submitted using Standard Form 326, Semi-annual Report of Payments Accepted from a Non-federal Source.

   b. Individuals granted authority to accept gifts under section (a) or (b) of reference (c) are required to report quarterly the information in paragraph 300702 of reference (l) to the Defense Finance and Accounting Service. The report is due to Department of the Navy/Assistant for Administration (DON/AA) no later than seven days after the end of each quarter. The report may be sent to Financial Management Division, DON/AA, 1000 Navy Pentagon, Washington, D.C. 20350-1000 or faxed to (703) 693-0144.
c. Individuals granted authority to accept gifts under reference (m) shall submit the information required in reference (n) to DON/AA no later than December 15 of each year.

Richard V. Spencer

Distribution:
Electronic Only, via Department of the Navy Issuance website http://doni.documentservices.dla.mil/
REFERENCES

(a) SECNAVINST 1650.1H
(b) DoD 5500.7-R, of 1 Aug 93
(c) 10 U.S.C. § 2601
(d) 10 U.S.C. § 6973
(e) 10 U.S.C. § 6981
(f) 10 U.S.C. § 7220
(g) 10 U.S.C. § 7221
(h) 31 U.S.C. § 1353
(i) 41 C.F.R. Chapter 304
(j) 44 U.S.C. Chapter 33
(k) SECNAV M-5210.1 CH-1
(l) DoD 7000.14-R, of June 2009
(m) 10 U.S.C. § 974
(n) USD (Comptroller) Memo, Gifts to Benefit Military
Musical Units, of 9 Mar 15
(o) OPNAVINST 5380.1D
(p) SECNAVINST 11100.8B
(q) 3 U.S.C. § 111
(r) SECNAVINST 5340.2D
(s) 40 U.S.C. § 3131
(t) 40 U.S.C. § 3132
(u) OPNAVINST 5030.12G
(v) Department of the Navy Financial Management Policy Manual,
NAVSO P-1000
(w) SECNAVINST 1730.7D
(x) SECNAVINST 7010.6B
(y) OPNAVINST 4001.3A
(z) DoD Joint Travel Regulations (JTR) (07-2017)
(aa) SECNAVINST 11011.47C
(bb) SECNAVINST 7320.10A

Enclosure (1)
DEFINITIONS

1. Acceptance Authority. The official or officer in the DON who, on behalf of the SECNAV, may accept gifts satisfying acceptance criteria found in enclosure (3) of this instruction. Acceptance authorities for particular categories of gifts are listed in enclosure (3) of this instruction.

2. Gift. Unless otherwise qualified, includes any conveyance, devise, or bequest of real or personal property, without consideration. The DON considers the lending of an item other than money to be a gift only if reference (d) applies. The term "gift" does not generally include "services"; however, services may be accepted as a gift as authorized by section (a)(2)(A) and (b) of reference (c), section (c)(1) of reference (e) and references (m) and (n), or if related or incidental to the conveyance of a gift of real or personal property. The acceptance and use of voluntary services in the USN are governed by reference (o).

3. Money. Cash, checks, or other forms of negotiable instruments.

4. Other Institution. As used in reference (c), includes any institution or organization under the jurisdiction of the DON, including, but not limited to a school, hospital, library, museum, or cemetery. The term "other organization" means any defined organizational unit or activity under the DON, including morale, welfare and recreation activities (non-appropriated fund instrumentalities, such as child care centers, family support centers, employee recreation funds, etc.). This instruction includes research and development facilities within the term "other institutions or organization."

5. Person. An individual, corporation and subsidiaries it controls, company, association, firm, partnership, society, joint stock company, or any other organization or institution, including any officer, employee, or agent of such person or entity.

6. Personal Property. Includes tangibles such as food, fuel, clothing, jewelry, household furnishings, and vehicles; intangibles such as stocks, bonds, patents, tickets of various types such as transportation, tickets to events, copyrights, and all other property not defined as real property of any kind or interest.

Enclosure (2)
7. **Prohibited Source.** A prohibited source is:

   a. Person who:

      (1) Is seeking official action by the DON;

      (2) Does business or seeks to do business with the DON;

      (3) Conducts activities regulated by the DON;

      (4) Has interests that may be substantially affected by the performance or nonperformance of a DON employee’s official duties; or

      (5) Is an organization, a majority of whose members are described in (1) through (4) of this paragraph.

   b. The DON shall deem no person or organization to be a prohibited source for the purpose of this instruction:

      (1) Solely because of the offer of a gift; or

      (2) Where the stated purpose of the organization includes the provision of financial support to the DON, its components, or DON personnel.

8. **Real Property.** Land and any interest in land, together with any buildings, fixtures, affixed improvements and structures, growing crops located thereon, and related appurtenances regardless of funding source.

9. **Travel-related Expenses.** Those travel expenses included in the definition of travel, subsistence, and related expenses in reference (i).
RESPONSIBILITIES

1. Acceptance Authority. Authority to accept or reject a gift offered to the DON rests with SECNAV and designees assigned herein. SECNAV may approve additional delegations. Authority to accept a gift offer depends upon the value and kind of property offered. There are several levels of authority as outlined below.

   a. The Under Secretary of the Navy (UNSECNAV) shall be the acceptance authority for gifts of real property with a value in excess of $2,000,000; other gifts of value in excess of $200,000; all requests for naming rights associated with gifts of real property to the USNA under section 2601(e) of reference (c); and gifts requiring an exception to any of the policies in paragraph 2 of this enclosure.

   b. The Assistant Secretary of the Navy (Energy, Installations and Environment) (ASN(EI&E)) shall be the acceptance authority for gifts of real property valued at $2,000,000 or less.

   c. The following officials may accept gifts, other than real property, valued at $200,000 or less:

      (1) The CNO, the Vice Chief of Naval Operations (VCNO), and the Director, Navy Staff (DNS) for gifts acceptable under references (c), (f), (g), (h), and (m) offered to Activities under CNO’s command;

      (2) The CMC, Assistant Commandant of the Marine Corps (ACMC), and Director, Marine Corps Staff (DMCS) (or Staff Director Marine Corps (SDMC)) for gifts acceptable under references (c), (f), (h), and (m) offered to Activities under CMC’s command;

      (3) The DON/AA, for gifts acceptable under references (c) and (h), to any institution or organization not under the command of either the CNO or CMC, but under the jurisdiction of SECNAV;

      (4) The Chief of Naval Research (CNR) for gifts acceptable under references (c) and (h), offered to any institution or organization reporting to CNR;
(5) The Superintendent, USNA, for gifts acceptable under references (d), (e), or (h), offered to any institution or organization reporting to Superintendent, USNA;

(6) The President, Naval War College (NWC), President, Naval Post Graduate School (NPS), and the President, Marine Corps University (MCU) for gifts acceptable under either (c) or (h) offered to any institution or organization reporting to NWC, NPS, or MCU, for their respective institutions.

d. The CNO, VCNO, DNS, CMC, ACMC, DMCS/SDMC, DON/AA, and CNR may delegate their authority to accept gifts of a value of $25,000 or less;

e. SECNAV or his/her designees as assigned in reference (p), per reference (q), with written concurrence of the Office of the Vice President, shall accept funds or gifts of property that donors offer to the Vice President of the United States’ Residence with the intent to furnish or make improvements in or about the residence, or for use at official functions in or about the residence;

f. Heads of institutions or organizations may accept and distribute gifts of consumable or perishable products, such as fruits, flowers, or candy intended for their institution’s or organization’s personnel. Acceptance criteria found in paragraph 2 of this enclosure apply to gifts accepted under this delegation;

g. Except for gifts authorized by section (b) of reference (c), Activities must process any foreign government gift to a DON employee under the procedures in chapter 9 of reference (a). Designated acceptance authorities may also accept gifts of travel offered by foreign governments under the authority of reference (h), as implemented by reference (i) and chapter 4 of reference (b);

h. Only the gift acceptance authority may decline a gift, except as provided below. The gift acceptance authority will acknowledge the offer and inform the donor in writing that the DON declines to accept the gift. The authority to decline gifts of real property may be delegated to the CNO, CMC, DON/AA, VCNO, ACMC, DNS, and DMCS/SDMC, regardless of value. This authority may be delegated at any point in processing and does not require additional analysis and coordination pursuant to paragraph 3j of this enclosure.

Enclosure (3)
2. Acceptance Criteria

a. Policy. Acceptance authorities shall decline gifts under the following circumstances:

(1) 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;

(2) The gift or conditions attached to the gift are inconsistent with applicable law or regulation;

(3) The use of the gift would reflect unfavorably on the ability of the DON or any DON personnel to carry out any responsibility or duty in a fair and objective manner;

(4) The use of the gift would compromise the integrity or appearance of integrity of any program of the DON or any individual involved in such a program; or

(5) Acceptance of the gift would not be in the best interest of the DON, including but not limited to the following, where it:

(a) Creates the appearance or expectation of favorable consideration as a result of the gift;

(b) Creates the appearance of an improper endorsement of the donor, its events, products, services, or enterprises (except for those charitable organizations recognized by reference (r));

(c) Raises a serious question of impropriety in light of the donor's present or prospective business relationships with the DON;

(d) Involves the expenditure or use of funds in excess of amounts appropriated by Congress;

(e) Requires substantial expenditures or administrative efforts and maintenance are disproportionate to any benefit; or

(f) For gifts offered under reference (e), the contributions would reflect unfavorably on the ability of the
DON, any of its employees, or any member of the armed forces to carry out any responsibility or duty in a fair and objective manner or compromise the integrity or appearance of integrity of any program of the DON, or any individual involved in such program.

b. Solicitation of Gifts

(1) Unless authorized by SECNAV, DON personnel shall not initiate requests for gifts or contributions for DON institutions or organizations. Acceptance authorities shall not accept gifts initiated contrary to this policy. Further, as provided in reference (b), the DON prohibits naval personnel from soliciting gifts from prohibited sources or because of their official position for themselves or their spouses, minor children, or members of their household. Such activity may result in disciplinary action;

(2) CNO and CMC, or their designees, may solicit appropriate gifts for the use and benefit of military museum programs pursuant to subsection (a)(2)(B) of reference (c).

c. Fundraising by Naval Personnel. DON personnel may not engage in fundraising in their official capacity except where explicitly permitted by reference (b). This prohibition extends to activities that raise funds for gifts to the DON. DON personnel are free to engage in private, off-duty, outside-the-workplace fundraising in a private capacity where there is no implication of official sanction. If in doubt, consult an ethics counselor.

d. Offer of Future Gifts. Applicable gift acceptance statutes do not provide authority to accept a gift before the gift is actually available for transfer to the DON. However, the DON may accept offers of future gifts (e.g., pledges to raise money or offers to purchase real or personal property for delivery to the DON) under the following two-step procedure:

(1) Acknowledgement. When a donor makes a pledge or offer of a future gift, whether a one-time gift or a gift made in several installments, the total cumulative amount of the future gift determines the appropriate acceptance authority. The acceptance authority shall determine whether the DON is likely to accept the gift under the criteria of this instruction when the actual donation occurs. If the DON is likely to accept the gift, the acceptance authority will acknowledge the gift and
advise the donor that gift acceptance will likely occur after actual presentation of the gift, portion, or installment to the DON.

(2) Acceptance. When the donor presents the gift, portion, or installment to the DON, the value of the gift presented on that occasion determines the proper acceptance authority for that gift, portion, or installment. The acceptance authority will determine whether to accept the gift, or that portion or installment thereof, applying the acceptance criteria and utilizing the procedures set forth in this instruction. Activities may request a one-time delegation of authority to accept a gift, portion, or installment of gifts in amounts greater than their acceptance authority for gifts previously acknowledged in step one.

e. Gifts from Prohibited Sources. Acceptance of gifts from prohibited sources requires heightened sensitivity because acceptance may create embarrassment to the DON or the appearance of influencing official decision-making or actions of the DON. Consequently, before accepting a gift of more than $10,000 from a prohibited source, the legal counsel (Office of General Counsel (OGC) attorney or USN/USMC judge advocate) for the gift acceptance authority shall consult OGC (Assistant General Counsel (Ethics)) to determine whether the donor is involved in any claims, procurement actions, litigation, or other matters involving the DON that might cause the acceptance authority to decline an offered gift.

f. Gifts to Unified Combatant Commands. The DON shall process gifts from foreign governments received by individuals for whom the DON is the employing component under reference (a). Other offers of gifts to a Unified Combatant Command not under the jurisdiction of SECNAV are not acceptable by the DON under reference (c).

g. Gifts from Foundations and Similar Entities. While foundations and other non-profit organizations may provide valuable support to the DON, they should not be used as conduits to make indirect gifts that DON gift acceptance policies would not permit if offered directly to the DON.

h. Gifts of Copyrighted or Patented Items. At the outset, personnel shall pay particular attention to evaluating whether a gift offer may include items that are subject to a patent or copyright (e.g., video footage the DON organization intends to
copy, post, display, or screen). Intellectual property (IP) matters are sometimes overlooked in the gift process and can result in processing delays if not addressed early. The DON shall evaluate offers of gifts of copyrighted or patented items with the same degree of scrutiny with which all other offers of gifts are evaluated. Examples of gifts that require an IP review include works of art; audiovisual works; photographs; graphic designs; and patented materials, articles, or equipment (if the gift offer places any restrictions on use). If the donor owns the patent or copyright, the DON should accept the gift only if the donor also grants a royalty-free license commensurate with the DON's intended use of the gift or assigns the copyright or patent to the United States. In such cases, the DON organization that received the gift offer shall consult a DON IP attorney to determine the sufficiency of any proposed license or assignment, or to seek assistance in drafting an appropriate document. For DON organizations that do not have an IP attorney, personnel may contact the Office of Counsel Office of Naval Research, for an appropriate referral. IP reviews and paperwork must be completed and documented prior to gift packages being forwarded to the ultimate acceptance authority.

i. Gifts Accepted to Benefit Certain Members, Dependents, or Civilian Employees Under Section (b) of reference (c). Acceptance authorities may not accept a gift of services from a foreign government or international organization under section (b) of reference (c). Acceptance authorities may accept gifts of real or personal property from foreign governments or international organizations under section (b) of reference (c) only if the gift is not designated for a specific individual. Acceptance authorities shall 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 DON personnel merely on the basis of type of official responsibility, or favors 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 DON employee's official duties.
3. Processing Gifts

a. Donors should make checks payable to the "Department of the Navy."

b. DON/AA is responsible for processing gifts requiring acceptance or rejection by SECNAV or UNSECNAV. Activities receiving offers that require SECNAV, UNSECNAV, or DON/AA acceptance must promptly notify DON/AA upon receipt of such offers.

c. This enclosure assigns responsibility for processing gift offers of personal property to the acceptance authorities designated in paragraph 1, except when that authority is specifically delegated by SECNAV to other officials.

d. After official acceptance by the acceptance authority, benefiting Activities should inform the USN Chief of Information of any gift having substantial public affairs implications.

e. Whenever possible, DON officials should not accept custody of a gift before official acceptance. If the DON assumes custody of the gift, the benefiting Activity shall advise the donor in writing that acceptance of the money, property, or endorsement of negotiable instruments does not constitute official acceptance of the gift. Activities shall not add property to applicable property account records prior to official acceptance. Activities shall not deposit money into the applicable trust fund prior to official acceptance.

f. Activities receiving a gift offer must inform the prospective donor that the DON cannot assume responsibility for any expenses incurred, loss, or damage before officially accepting the offered gift, even if the gift is in the temporary custody of the DON. The DON will not pay interest on money or the value of negotiable instruments returned to a prospective donor.

g. Prospective donors should be advised to submit gift offers in writing explicitly specifying any conditions associated with gift acceptance. Upon receipt, Activities must promptly forward offers through the chain of command via the appropriate acceptance authority's legal counsel or judge advocate.
h. In exceptional circumstances where a time sensitive offer must be expeditiously accepted, e.g., an offer of tickets to a near-term event or a gift of travel to an event taking place in a short time, Activities may forward the offer directly to the acceptance authority via e-mail, informing the chain of command.

i. Forwarding correspondence concerning acceptance of gifts, other than gifts of real property, should include:

(1) A complete description of the gift, including the quantity, condition, material, and approximate size and weight, value, and intended uses;

(2) An indication of the item's location and availability. Activities should consider gifts not immediately available as offers of future gifts and process these offers as detailed in subparagraph 2d of this enclosure;

(3) A description of any unusual or large expense which would be incurred by accepting and using the gift;

(4) Any conditions or implicit assumptions under which the offer of gift is being made;

(5) All pertinent facts concerning the donor's present and prospective business relationships with the DON and any documentation relevant to the gift or donor;

(6) A summary of the item's significance to the DON;

(7) An Activity recommendation for acceptance/rejection based on criteria contained in paragraph 2 of this enclosure. If recommending acceptance, the Activity should include a proposed acceptance letter as an enclosure to the forwarding correspondence. Acceptance letters must indicate that the acceptance authority is accepting the gift on behalf of the DON. Activities should address acceptance letters specifically to the donor and suitably convey the DON's appreciation for the gift.

j. Offers of gifts of real property, or of an improvement to real property, require additional analysis and coordination due to their complexity and the lasting impact of any such gift once it is underway.
(1) When an Activity is approached to discuss any offer or potential offer of a gift of real property, or of an improvement to real property:

(a) On a USN installation, the Activity shall contact the applicable Commander, Navy Installations Command (CNIC) Regional Engineer for coordination. The Regional Engineer or his or her point of contact, will work with the donor, the benefiting Activity, and the Naval Facilities Engineering Command (NAVFAC) on matters specific to the location including any technical, environmental, or facilities requirements associated with the proposed offer.

(b) On a USMC installation, the Activity shall contact the Commander, Marine Corps Installations Command (MCICOM) for coordination.

(2) Gifts of improvements to real property are subject to the bonding requirements of references (s) and (t).

(3) The DON shall control the naming of the proposed gift of real estate, per references (c) and (u).

(4) Ceremonies, ribbon cuttings, or other events associated with gifts of real property or improvements to real property with an aggregate value of more than $100,000 must not be scheduled to occur within 90 days of the date the gift acceptance package is forwarded to UNSECNAV.

(5) Requests for approval of gifts of real property or improvements to real property with an aggregate value of more than $2,000,000 shall be forwarded to UNSECNAV via the ASN (EI&E) through the chain of command as detailed in subparagraph (6) below.

(6) Requests for approval of gifts of real property or improvements to real property must include:

(a) A copy of the gift offer and all supporting documentation provided by the donor. In order to be eligible for acknowledgement or acceptance, offers of real property or improvements to real property must contain sufficient design information to support completion of a business case analysis (BCA) and must affirmatively state the donor’s agreement that improvements to real property, if any, will be designed and constructed in accordance with all applicable codes and
standards, including the Unified Facilities Criteria (UFC), USN and USMC Shore Energy Building Standards, and National Fire Protection Association (NFPA) Codes and Standards, and will be consistent with the relevant Base Exterior Architecture Plan (BEAP).

(b) A BCA approved by the Regional Engineer for the USN and/or the Regional Installation Commander for the USMC, as appropriate. The BCA must contain, at a minimum, a complete assessment of the gift offer, any impacts to the DON and to the public if the gift is accepted, and any immediate or future costs to the DON if the gift is accepted. Specific items that must be addressed in the BCA include:

1. A complete general description and geographic location of the real property or if the gift offer is land, a legal description;

2. An assessment of how the gift will comply with all applicable codes and standards including the UFC, USN and USMC Shore Energy Building Standards, and NFPA Codes and Standards and how the gift will be consistent with the relevant BEAP. Any known proposed deviations to applicable codes or standards shall be identified and discussed in the BCA;

3. Any initial costs and anticipated recurring costs to the DON upon acceptance of the gift (e.g., maintenance costs, energy requirements);

4. An assessment of the best use and current use of the real property;

5. The proposed DON possession date;

6. Any utility services available;

7. The approximate current fair market value of the gift;

8. An assessment of the gift's impact on the civilian economy, including the community, other agencies, and individuals;

9. A preliminary assessment of any potential environmental impacts of the gift, including time, effort, and cost to prepare the appropriate environmental planning documents
(e.g., Categorical Exclusion, Environmental Assessment, Environmental Impact Statement);  

10. Any conditions under which the donor is making the gift offer;  

11. All pertinent facts concerning the donor’s present and prospective business relationships with the DON and any documentation relevant to the gift or donor;  

12. A summary of the gift’s significance to the DON; and  

13. A determination that the gift as proposed constitutes a complete and usable facility.  

(c) An Activity recommendation for gift acceptance/rejection based on criteria contained in paragraph 3j(6)(b).  

1. If recommending acknowledgement or acceptance, the Activity should include a proposed acceptance letter as an enclosure to the forwarding correspondence. Acknowledgement and acceptance letters must indicate that the acceptance authority is accepting the gift on behalf of the DON. Acknowledgement letters for improvements must also indicate that NAVFAC will not issue a construction license until the DON has completed all required environmental reviews. If requested by NAVFAC, the acknowledgement letter may also require the donor, as a precondition to issuance of a construction license, to submit and receive approval from NAVFAC on its 35 percent design, 65 percent design, and 100 percent design. Activities should address acknowledgement and acceptance letters specifically to the donor and suitably convey the DON’s appreciation for the gift.  

2. If recommending rejection, a DON Activity will include a proposed declination letter as an enclosure to the forwarding correspondence. To avoid unnecessary delay, CNO, CMC, DON/AA, VCNO, ACMC, DNS, and DMCS/SDMC, or their designee, may request a waiver to the procedural steps in this subparagraph from UNSECNAV, via ASN(EI&E), if those personnel have not already received rejection authority under paragraph 1h of this enclosure.
(d) For real property gifts to be located on USN installations, endorsements at the CNIC Region and Headquarters levels. For real property gifts to be located on USMC installations, endorsements by the appropriate USMC Installations Commander and MCICOM;

(e) For real property gifts to be located on other than DON installations:

1. Confirmation that the real estate agreement that allows for DON use of the property authorizes improvements or additions to the underlying land; and

2. Endorsement by the owner or entity in control of the underlying land.

k. All gifts of money or securities accepted under reference (c) shall be deposited into the Navy General Gift Fund (NGGF). No money should accompany the acceptance documentation through the chain of command and the DON cannot deposit money into the NGGF prior to official acceptance. Process formally accepted gifts of money accepted under this authority as follows:

(1) Activities and commands will coordinate with DON/AA to determine if local deposit of funds into the NGGF is optimal. If DON/AA determines that local deposit is not optimal, Activities must forward checks directly to DON/AA through an expedited and guaranteed mailing process;

(2) Activities will e-mail acceptance documentation to DON/AA;

(3) DON/AA will establish a new gift allotment or project as required; and

(4) Activities may not execute funds until DON/AA verifies proper acceptance, verifies deposit into the NGGF, and issues a fund allotment (NAVCOMPT 372) to the intended receiving organization.

1. Paragraph 074700 of reference (v) provides additional guidance for processing and accounting for gifts of money under references (c), (d), and (e). The DON places all gifts of money received under these references in a trust fund. Activities may use a trust fund only as specified by the terms of the trust.
Disbursements of deposited funds shall strictly follow the terms of the gift, devise, or bequest. If the purpose of a gift, devise, or bequest has been satisfied, Activities may apply residual funds to related items or activities.

m. Gifts of money to a ship’s morale, welfare, and recreation fund will be accepted by the appropriate authority under reference (f) and then forwarded to the ship with instructions that the ship is to deposit the gift in the "Ships' Stores Profit Navy" account.

n. A contribution to the Religious Offering Fund (ROF) designated as a specific gift for a specific purpose other than as set forth in references (w) and (x), will be processed under either references (c) or (d), as appropriate. Such a gift designation creates a trust with corresponding fiduciary responsibilities, which would not permit funds from the trust to be disbursed at the desire of the congregation, commanding officer, or ROF administrator. Examples of ROF donations that should be treated as gifts include donations of money for the express purpose of purchasing musical instruments or stained-glass windows.

o. Activities shall accomplish inventory control of gifts of silver service under reference (y). Activities shall inventory gifts to vessels other than silver service under procedures established by the Naval Supply Systems Command.

p. The DON shall account for and process any gift of payment from a non-Federal source for travel and related expenses for attendance of DON personnel in an official travel status under volume 1, chapter 1, part B and volume 2, chapter 2, part D of reference (z). Also see reference (b).

q. Real and personal property accepted pursuant to this instruction must be received, accounted for, and disposed of consistent with property accountability policy in references (aa) and (bb). Gift records must document the transfer of nonmonetary gifts to the property records of the receiving organization.

4. Mandatory Investment of Monetary Gift Accepted Under references (c) and (d). Even though by statute all monetary gifts must be deposited in the NGGF or USNA Museum and Gift Fund
prior to disbursement, the DON's policy is to maximize the benefits of monetary gifts formally accepted by the DON through investment in government securities.

a. Authority is delegated to DON/AA to:

(1) Request that the Secretary of the Treasury retain money, securities, and the proceeds from the sale of securities in the NGGF;

(2) Invest money and the proceeds from the sale of securities in the NGGF in instrumentalities of the United States Treasury or in securities guaranteed, as to principal and interest, by the United States Government; and

(3) Deposit to the credit of NGGF and disburse as provided in reference (c), the interest and profits accruing from those investments.

b. Authority is delegated to the Superintendent, USNA to:

(1) Request that the Secretary of the Treasury invest, reinvest, or retain investments of money or securities comprising any part of the USNA Gift and Museum Fund in instrumentalities of the United States Treasury or in securities guaranteed, as to principal and interest, by the United States Government; and

(2) Deposit and disburse the interest and benefits accruing from those securities to the credit of the USNA Gift and Museum Fund as detailed in reference (d).

c. Benefiting Activities must promptly evaluate gifts of money accepted under the authority of reference (c) or (d), to determine if investment of funds pending disbursement is advantageous. Investment of funds is mandatory in the following cases:

(1) If Activities do not intend to disburse monetary gifts exceeding $10,000 within one year of deposit into the NGGF or the USNA Museum and Gift Fund;

(2) If the purpose of a gift, devise, or bequest is satisfied and residual funds exceeding $10,000 are not intended for disbursement within a one-year period for a related purpose or activity as detailed in paragraph 31 of this enclosure.
5. Federal Income, Estate, and Gift Taxes. For the purposes of Federal income, estate, and gift taxes, gifts accepted under references (c) or (d) are considered to be gifts or bequests to the United States. While written notification of acceptance of a gift constitutes receipt by the DON, the DON will not render any opinions of value on a specific gift that a donor has offered. Activities are directed to advise donors that it is their responsibility to consult private tax experts for specific advice concerning tax implications of gift giving.

6. Conveyance or Transfer of a Gift. SECNAV may pay all expenses in connection with the conveyance or transfer of an accepted gift. Authority to pay such expenses is hereby delegated to the Activity heads whose appropriations are properly chargeable with such costs.