



DEPARTMENT OF THE NAVY
UNITED STATES NAVAL ACADEMY
121 BLAKE ROAD
ANNAPOLIS MARYLAND 21402-1300

USNAINST 4001.5A
4/DepFin

OCT 14 2010

USNA INSTRUCTION 4001.5A

From: Superintendent

Subj: ACCEPTANCE OF GIFTS TO THE UNITED STATES NAVAL ACADEMY

Ref: (a) 10 U.S.C. Section 6973
(b) 10 U.S.C. Section 6975
(c) 10 U.S.C. Section 2601
(d) 10 U.S.C. Section 7220
(e) 31 U.S.C. Section 1353
(f) 41 C.F.R. Section 304
(g) SECNAVINST 4001.2J
(h) OPNAVINST 4001.1F
(i) DOD 5500.7-R
(j) SECNAVINST 5340.2D

Encl: (1) Gift Offer/Acceptance
(2) Gift of Travel Offer/Acceptance

1. Purpose. To promulgate United States Naval Academy (USNA) policy for soliciting, accepting and processing gifts to the USNA in accordance with references (a)-(j). This issuance is a complete revision and should be reviewed in its entirety.

2. Cancellation. USNAINST 4001.5

3. Discussion

a. References (a) and (b) authorize the Secretary of the Navy (SECNAV) to accept gifts for the benefit and use of the Naval Academy. The United States Naval Academy Gift and Museum Fund ("Fund") is the entity authorized for deposit of gifts accepted under these statutes. Reference (c), paragraph (a), authorizes SECNAV to accept gifts of real and personal property for institutions or organizations under the jurisdiction of the Secretary and under paragraph (b) for gifts to benefit certain members, "Wounded Warriors", dependents and civilian employees. Reference (d) authorizes SECNAV to accept gifts for use in providing recreation, amusement and contentment for enlisted members of the naval service. Reference (e) authorizes SECNAV to accept gifts of travel and related expenses from non-federal sources pursuant to reference (f).

b. References (g) and (h) provide guidance on acceptance, processing, and approval authority delegations for gifts at various command levels.

c. Per reference (g), the Superintendent, USNA is authorized to accept gifts other than real property and gifts of travel and related expenses valued at \$60,000 or less. This applies to gift offers made to any institution or organization reporting to the Superintendent, USNA.

d. Per reference (h), the Superintendent, USNA is authorized to accept gifts of personal property for the benefit of an institution or organization authorized per reference (c) and gifts providing recreation to enlisted members serving in such organizations under his or her command or subordinate commands per reference (d) valued at \$12,000 or less.

e. The Staff Judge Advocate (SJA), USNA, is the designated Ethics Counselor for USNA. All gift offers to USNA shall receive an endorsement from the SJA prior to being forwarded to or accepted by the Superintendent.

(1) In the event the SJA is unavailable, gift offers must be reviewed by an Ethics Counselor at the Office of General Counsel or a certified Ethics Counselor higher in the chain-of-command before processing.

(2) In accordance with reference (g), the SJA will consult with the Assistant General Counsel (Ethics) on any gift from a prohibited source in excess of \$10,000. Any recommendation made by the Assistant General Counsel (Ethics) will be forwarded to the Superintendent.

4. Policy

a. All offers of gifts to USNA will be processed in accordance with this instruction and the guidance provided in references (g) and (h).

b. USNA personnel shall not solicit gifts or contributions to USNA without authorization from the Secretary of the Navy.

(1) The USNA will not accept any gift solicited or offered in violation of this policy.

(2) As authorized by reference (i), USNA personnel are permitted to accept invitations to speak/lecture to non-federal entities on behalf of the USNA, its programs and departments. All items of value provided as a result of these speaking engagements (i.e. travel, lodging, honoraria, trinkets, food, etc.) are considered gifts to the USNA and must be pre-approved by the SJA prior to being accepted by the Superintendent.

5. Acceptance Criteria

a. As directed in reference (g), **USNA WILL 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 Department of the Navy (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; and

(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 in reference (j));

(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; or

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

b. **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. Per reference (g), the Superintendent or the

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SECNAV may accept offers of future gifts. Whether a one-time gift or a gift made in several installments, the total cumulative amount of the future gift will determine the acceptance authority.

c. **Gift from Foundations and Similar Entities.** Per reference (g), 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 DON.

d. **Gifts of Copyrighted or Patented Items.** Per reference (g), gifts of copyrighted and patented items should be evaluated with the same degree of scrutiny as other gift offers. If the donor owns the patent or copyright, the gift should be accepted only if the donor also grants a royalty-free license commensurate with the intended use of the gift, or assigns the patent or copyright to the United States.

e. **Contributions to the Religious Offering Fund (ROF).** ROF contributions designated for a specific purpose other than as set forth in SECNAVINST 1730.7D and OPNAVINST 1730.1D will be processed under either reference (a) or (c) per reference (g). Examples of ROF donations that should be treated as gifts include money for pew cushions, musical instruments, etc.

6. **Acceptance Processing.** Prospective donors should be advised to submit gift offers in writing explicitly specifying any conditions associated with gift acceptance. Gifts offers which are not made in compliance with this section will not be processed. Checks for gifts accepted under reference (a) should be made payable to: United States Naval Academy Gift and Museum Fund. Checks for gifts acceptable under all other authorities should be made out to: Department of the Navy. Gifts will be processed in the following way based on value and type:

a. **All gifts of real property and gifts valued in excess of \$60,000 acceptable under references (a) or (b).** Prospective donors should provide the gift offer correspondence and any supporting documentation (i.e. appraisals, pictures, etc.) to the Gift Fund Officer, Comptroller Department. The gift offer will be reviewed by the Comptroller, Deputy for Finance and the SJA prior to being forwarded to the Superintendent for recommendation to SECNAV. Each of those offices will provide a recommendation to accept or decline. The Superintendent will make the final recommendation on acceptance which will be forwarded to SECNAV per reference (g). Naval Facilities Engineering Command (NAVFAC) and Commander, Naval Installations Command (CNIC) will be provided a copy of correspondence for gift offers of real property or of an improvement to real property.

b. **Gifts acceptable under reference (c) paragraph (a) and reference (d) valued in excess of \$12,000.** Prospective donors should provide the gift offer correspondence and any supporting documentation (i.e. appraisals, pictures, etc.) to the Gift Fund Officer, Comptroller Department. The gift offer will be reviewed by the Comptroller, Deputy for Finance and the SJA prior to being forwarded to the Superintendent for recommendation to CNO. Each of those offices will provide a recommendation to accept or decline. The Superintendent will make the final recommendation on acceptance which will be forwarded to the CNO per reference (h).

c. **All gifts acceptable under reference (c) paragraph (b).** Prospective donors should provide the gift offer correspondence and any supporting documentation (i.e. appraisals, pictures, etc.) to the Gift Fund Officer, Comptroller Department. The gift offer will be reviewed by the Comptroller, Deputy for Finance and the SJA prior to being forwarded to the Superintendent for recommendation to CNO. Each of those offices will provide a recommendation to accept or decline. The Superintendent will make the final recommendation on acceptance which will be forwarded to the CNO per reference (h).

d. **Gifts valued at \$60,000 or less acceptable under references (a) or (b).** Prospective donors should provide the gift offer correspondence and any supporting documentation (i.e. appraisals, pictures, etc.) to the Gift Fund Officer, Comptroller Department. The Gift Fund Officer will complete the Gift Offer/Acceptance Form provided in enclosure (1). The gift offer must be reviewed by the Comptroller, Deputy for Finance and the SJA prior to being forwarded to the Superintendent for decision. Each of those offices will provide a recommendation to accept or decline. Where the SJA has consulted with

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the Assistant General Counsel (Ethics) on any gift from a prohibited source in excess of \$10,000, the recommendation made by the Assistant General Counsel (Ethics) will be provided to the Superintendent. The Superintendent will make the final decision to accept or decline.

e. **Gifts valued at \$12,000 or less acceptable under reference (c), per reference (h).** Prospective donors should provide the gift offer correspondence and any supporting documentation (i.e. appraisals, pictures, etc.) to the Gift Fund Officer, Comptroller Department. The Gift Fund Officer will complete the Gift Offer/Acceptance Form provided in enclosure (1). The gift offer must be reviewed by the Comptroller, Deputy for Finance and the SJA prior to being forwarded to the Superintendent for decision. Each of those offices will provide a recommendation to accept or decline. Where the SJA has consulted with the Assistant General Counsel (Ethics) on any gift from a prohibited source in excess of \$10,000, the recommendation made by the Assistant General Counsel (Ethics) will be provided to the Superintendent. The Superintendent will make the final decision to accept or decline.

f. **Funds cannot be deposited with the U.S. Treasury prior to official acceptance.** Gifts will be held by the Comptroller in a safe. Gifts offered and accepted per reference (a) will be deposited promptly with the U.S. Treasury per DOD 7000.14-R, Volume 5, Chapter 10 upon receipt of acceptance documentation. Gifts offered and accepted per references (c) and (d) will be forwarded for deposit in the Navy General Gift Fund or the Ships' Stores Profit, Navy Fund respectively. The Comptroller will maintain a log of "gifts held – pending acceptance" to track timely processing.

g. **Gifts of Travel acceptable under reference (e).** All offers of gifts of travel and related expenses (in-kind or cash) from non-federal entities will be processed using the Gift of Travel Offer/Acceptance sample provided in enclosure (2) and endorsed by the Department Head and the SJA before being forwarded to the Superintendent. Any supporting documentation should be attached. As provided in reference (f), factors to be considered in all such requests will be: Source of the funding; purpose of the travel; impact on the employee's duties; benefit to USNA; and other considerations deemed relevant by the Superintendent. The Superintendent will make the final decision to accept or decline gifts valued at \$60,000 or less. For gifts in excess of \$60,000, the SJA will forward his/her recommendation to the Superintendent who will make the final recommendation to accept or decline, which will be forwarded to SECNAV per reference (g).

(1) The traveler will prepare his/her travel authorization in the Defense Travel System (DTS). The gift of travel will be documented in the "comments to the approving official" and a copy of the approval will be uploaded into DTS.

(2) Where the gift of travel and/or travel related expenses is provided in cash, the Comptroller will deposit the funds in the U.S. Treasury, create a reimbursable authorization, and provide the traveler with the line of accounting to be used on the travel authorization in DTS.

7. **Retention of Records.** Primary program records for the acceptance of gifts are permanent per U.S. Code (Chapter 33 of Title 44). Records created as a result of this instruction, regardless of media and format, shall be managed in accordance with SECNAV M-5210.1. The Comptroller will ensure that the record keeping requirements of the DOD 7000.14-R, Volume 12, Chapter 30 are satisfied.

8. **Reporting Requirements**

a. Gifts accepted per paragraph 6e above: The Office of the Comptroller is responsible for submitting the quarterly report required per reference (g).

b. Gifts accepted per paragraph 6g above: The SJA is responsible for documenting, tracking and reporting all gifts of travel in accordance with the requirements contained in references (e) and (h).

9. **Disciplinary Action**

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a. Violations of this lawful general order are punishable offenses and may result in disciplinary action under the Uniform Code of Military Justice. In addition, civilian personnel willfully violating the regulations established herein are subject to administrative action to include adverse employment action, at the discretion of the Superintendent, USNA.

b. Any questions or clarifications regarding this instruction should be forwarded to the Comptroller, Deputy for Finance or SJA.

/S/
M. H. MILLER

Distribution:
All Non-Mids (electronically)

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GIFT OFFER/ACCEPTANCE (To be used for Superintendent Gift Acceptance Authority)	Privacy Act Statement: Authority: 10 U.S.C. Section 5013, Secretary of the Navy Principle Purpose: To maintain a record of gifts accepted under USNAINST 4001.5A Routine Use: Used by the U.S. Naval Academy to accept or decline a gift.
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A. ACCEPTANCE AUTHORITY (check one)		
<input type="checkbox"/>	10 U.S.C. 6973	Gift valued at \$60,000 or less
<input type="checkbox"/>	10 U.S.C. 2601a	Gift valued at \$12,000 or less
<input type="checkbox"/>	10 U.S.C. 7220	Gift valued at \$12,000 or less

B. INFORMATION ON GIFT OFFER	
1. DATE OF GIFT OFFER:	2. TYPE/VALUE OF GIFT OFFER: CASH: GIFT-IN-KIND:
3. DONOR NAME:	4. DONOR ADDRESS:
5. DESCRIPTION AND/OR DONOR'S INTENT	

C. USNA GIFT INFORMATION	
1. USNA POC (Name and Phone Number):	
2. GIFT ACCOUNT TITLE (CASH):	
3. GIFT IN KIND (PHYSICAL LOCATION):	

D. RECOMMENDATIONS AND REVIEWS		
1. Comptroller Recommendation	ACCEPT	DECLINE
Comments:		
Signature:	Date:	
2. Deputy for Finance Recommendation	ACCEPT	DECLINE
Comments:		
Signature:	Date:	
3. Staff Judge Advocate Recommendation	ACCEPT	DECLINE
Comments:		
Signature:	Date:	
4. Prohibited Source Review/Recommendation (if required) Assistant General Counsel (Ethics)	ACCEPT	DECLINE
Comments:		
Signature:	Date:	
5. SUPERINTENDENT DECISION	ACCEPT	DECLINE
Signature: _____ Date: _____		

Comptroller Record Information – Serial Number Assignment: USNA DH 4001/23 (Rev. 09/2010)

For Official Use Only – Privacy Sensitive (when filled in)
 Any misuse or unauthorized disclosure can result in both civil and criminal penalties

Enclosure (1)

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GIFT OF TRAVEL OFFER/ACCEPTANCE

Date: _____

From: [NAME AND TITLE]
To: Superintendent, United States Naval Academy
Via: (1) Department Chair
(2) Staff Judge Advocate

Ref: (a) 31 U.S.C. Section 1353
(b) 41 C.F.R. Section 304

1. Name/Title of DOD Employee/Dept:

2. Name of non-federal source providing travel and source of invitation (email, letter, etc., please attach to request):

3. Nature of meeting/function/date:

4. Dates of travel:

5. Your role at meeting/function:

6. Location:

7. Impact on duties at USNA during absence:

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8. Nature of Travel Expenses:

<u>Check to USNA</u>	<u>In Kind</u>	<u>Amount</u>

9. How does this travel relate to your official duties?

10. What is the benefit to USNA?

[NAME]
[RANK OR TITLE]
[DEPARTMENT/OFFICE]

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SECOND ENDORSEMENT

From: Staff Judge Advocate
To: Superintendent

Date: _____

Subj: GIFT OF TRAVEL OFFER/ACCEPTANCE

Ref: (a) 31 U.S.C. § 1353
(b) 41 C.F.R. § 304

1. I have reviewed the above information and recommend [**APPROVAL / DISAPPROVAL**].
2. The criteria set forth in references (a) and (b) for acceptance of this gift of travel expenses [**HAS / HAS NOT**] been met, specifically: (a) the travel [**IS / IS NOT**] directly related to the employee's official duties; (b) the travel [**IS / IS NOT**] to attend training, a meeting or similar function as defined in section 2.1 of reference (b); (c) the source of the payments [**IS / IS NOT**] a prohibited source; and (d) the training or meeting requested [**DOES / DOES NOT**] include subjects of mutual interest to both the Naval Academy and the funding source.

Very respectfully,

STAFF JUDGE ADVOCATE

_____ Approved

_____ Disapproved

Date: _____

Comment(s):

SUPERINTENDENT