



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

USNAINST 4001.5E
4/CFO
30 Jul 2019

USNA INSTRUCTION 4001.5E

From: Superintendent, U.S. Naval Academy

Subj: ACCEPTANCE OF GIFTS TO THE U.S. 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 4001.2K
(h) OPNAVINST 4001.3A
(i) SECNAV letter of 9 Aug 12
(j) DOD 5500.7-R
(k) SECNAVINST 5340.2E

1. Purpose. To promulgate U.S. Naval Academy (USNA) policy for soliciting, accepting, and processing gifts per references (a) through (k).

2. Cancellation. USNAINST 4001.5D

3. Scope and Applicability. All personnel assigned to USNA shall abide by this instruction.

4. Reference Summary and Discussion

a. References (a) and (b) authorize the Secretary of the Navy (SECNAV) to accept gifts for USNA's benefit and use. The USNA Gift and Museum Fund ("Fund") is the entity authorized for depositing 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 which provide 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 accepting, processing, and approval authority delegations for gifts at various command levels.

5. Policy

a. Per reference (g) and the increased acceptance authority approved by SECNAV on 7 May 2018, the Superintendent is authorized to accept gifts, other than real property, and gifts of travel and related expenses valued at \$200,000 or less. This applies to gift offers made to any institution or organization reporting to the Superintendent.

b. Per reference (h), the Superintendent 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.

c. Per reference (i), the Chief of Staff is authorized to accept gifts, other than real property, and gifts of travel and related expenses valued at \$3,000 or less. This applies to gift offers made to any institution or organization reporting to the Superintendent.

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

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

(2) Per 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 via the Chief of Staff.

e. Gift Acceptance Restrictions. As directed in reference (g), USNA will decline gifts under the following circumstances:

(1) USNA personnel shall not solicit gifts or contributions to USNA without authorization from SECNAV. USNA will not accept any gift solicited or offered in violation of this policy.

(2) 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.

(3) The gift or conditions attached to the gift are inconsistent with applicable law or regulation.

(4) 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.

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

(6) Accepting the gift would not be in the DON's best interest, including but not limited to the following, where it:

(a) Creates the appearance or expectation of favorable consideration.

(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 (k)).

(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.

f. Offer of Future Gifts. Per reference (g), applicable gift acceptance statutes do not provide authority to accept a gift before the gift is actually available for transfer to the DON. The Superintendent or 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 determines the appropriate acceptance authority.

g. Gifts 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 the DON.

h. 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.

i. Gifts Accepted to Benefit Certain Members, Dependents, or Civilian Employees. Per reference (c), acceptance authorities may not accept a gift of services from a foreign government or international organization. Acceptance authorities may accept gifts of real or personal property from foreign governments or international organizations only if the gift is not designated for a specific individual.

j. 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 1730.1E 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.

k. Funds Cannot be Deposited with the U.S. Treasury Prior to Official Acceptance. Gifts will be held by the Comptroller pending acceptance. 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 receiving 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 track pending gift acceptances for timely processing.

l. Disciplinary Action. 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. Any questions or clarifications regarding this instruction should be forwarded to the Comptroller, Chief Financial Officer, or SJA.

6. Procedures

a. Gift Offer Processing. All offers of gifts to USNA will be processed per this instruction and the guidance provided in references (g) and (h). Prospective donors should be advised to submit gift offers in writing, explicitly specifying any conditions associated with gift acceptance. Prospective donors should provide the gift offer correspondence and any supporting documentation (i.e., appraisals, pictures, etc. for non-monetary gifts) to the Gift Fund Officer, Comptroller Department. The Gift Fund Officer will complete USNA 4001/23 Gift Offer/Acceptance. The gift offer must be reviewed by the Comptroller, Deputy for Finance, and the SJA before being forwarded to the Superintendent or Chief of Staff for decision. Each of those offices will provide a recommendation to accept or decline. When 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 via the Chief of Staff.

b. Acceptance Processing. Per reference (g), checks for gifts acceptable under all authorities should be made payable to: Department of the Navy. Gift offers which are not made in compliance with this section will not be processed. Gifts will be processed based on value and type as follows:

(1) Gifts of Real Property and Gifts Valued in Excess of \$200,000 Acceptable Under References (a) or (b). 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.

(2) Gifts Acceptable Under Reference (c) Paragraph (a), and Reference (d) Valued in Excess of \$12,000. The Superintendent will make the final recommendation on acceptance which will be forwarded to the CNO per reference (h).

(3) Gifts Acceptable Under Reference (c) Paragraph (b). The Superintendent will make the final recommendation on acceptance which will be forwarded to the CNO per reference (h).

(4) Gifts Valued at \$200,000 or Less Acceptable Under References (a) or (b). The Superintendent will make the final decision to accept or decline.

(5) Gifts Valued at \$12,000 or Less Acceptable Under Reference (c), per Reference (h). The Superintendent will make the final decision to accept or decline.

(6) Gifts Valued at \$3,000 or Less, Other Than Real Property, per Reference (i). The Chief of Staff will make the final decision to accept or decline.

(7) Gifts of Travel Acceptable Under Reference (e). All offers of gifts of travel and related expenses (in-kind or monetary payment) from non-federal entities will be processed using USNA 4001/25 Gifts of Travel for Non-Federal Entities (NFE) 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: funding source; 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 \$200,000 or less; the Chief of Staff is authorized to accept or decline gifts of travel valued at \$3,000 or less. For gifts in excess of \$200,000, the SJA will forward a recommendation to the Superintendent who will make the final recommendation to SECNAV accept or decline, per reference (g).

(a) The traveler will prepare the travel authorization in the Defense Travel System (DTS). All personnel must be on funded travel orders in 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. The cost center will create the travel authorization in DTS using the cost center’s appropriated funding (gift funds, research grant funds, appropriated funds, etc.).

(b) All travelers and supervisors should coordinate with their respective approving officials (AOs) to ensure funds are available to cover travel entitlements that are reimbursed or not covered by the gift of travel. When using research funds, travelers and supervisors should also coordinate with the Office of Research and Scholarship to ensure the availability of research grant funds.

(c) All monetary payments from the donor are to be mailed to the Comptroller Department for processing. The Comptroller Department will deposit the funds against the specific travel order created in DTS thus reimbursing the cost center’s appropriated funding. If a check comes straight to a traveler (or their Department), coordinate with the Comptroller Department on getting the check into their possession. Employees cannot accept cash or checks made out to them.

(Please note: Payment should be received in the form of a check or money order; the acceptance of cash or currency is not an acceptable form of receipt for a monetary gift of travel; and the acceptance of cash or check payable to DoD employees is strictly prohibited.)

(d) After completing travel, the traveler will provide the actual expenses to the SJA office (complete USNA 4001/25) to account for the actual gift of travel expense on the quarterly report to the Vice Chief of Naval Operations.

(e) The department head must be aware that this travel is originally charged against the cost center’s appropriated funding and will remain so if the gift of travel funding is not received or only covers a portion of the total travel costs.

(8) Gifts of Invitation to Speak or Lecture to Non-Federal Entities Under Reference (j). USNA personnel can be approved by their supervisors to speak or lecture to non-federal entities on behalf of USNA in their official capacities. All items of value provided as a result of these speaking engagements (i.e. travel, lodging, honoraria, trinkets, food, etc.) are considered gifts to USNA and must be properly processed as a gift of travel, using USNA 4001/23. This provision does not include speaking engagements where USNA personnel are in their personal capacities. The distinction between official and personal capacities can sometimes be difficult to determine. Close coordination with the SJA office is encouraged.

c. Reporting Requirements

(1) Gifts accepted per paragraph 6.b(5): the Office of the Comptroller is responsible for submitting the quarterly report per reference (g).

(2) Gifts accepted per paragraph 6.b(7): the SJA is responsible for documenting, tracking, and reporting all gifts of travel per references (e) and (h).

d. Quality Control Reviews. The Command Evaluation Office will conduct quality control reviews of gift acceptance for compliance with this instruction, not less than once every year, reporting findings directly to the Superintendent.

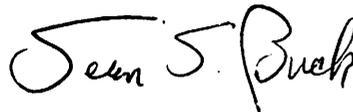
7. Records Management.

a. Records created as a result of this instruction [notice, change transmittal], regardless of format or media, must be maintained and dispositioned for the standard subject identification codes (SSIC) 1000 through 13000 series per the records disposition schedules located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this instruction [notice, change transmittal] or the records disposition schedules, please contact your local records manager or the DON/AA DRMD program office.

8. Review and Effective Date. Per OPNAVINST 5215.17A, the Deputy for Finance will review this instruction annually on the anniversary of the effective date to ensure applicability, currency, and consistency with Federal, DoD, SECNAV, and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction.

9. Forms. USNA 4001/23 Gift Offer Acceptance and USNA 4001/25 Gifts of Travel from Non-Federal Entities can be found on Naval Forms Online at <https://www.usna.edu/adminsupport/formsprogram/usnaofficialformslist.php>.



S. S. BUCK

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