



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

USNAINST 7000.4A
4/DepFin

15 AUG 2013

USNA INSTRUCTION 7000.4A

From: Superintendent

Subj: GUIDELINES ON THE USE OF GIFT FUNDS FOR ENTERTAINMENT EXPENSES IN THE FURTHERANCE OF THE UNITED STATES NAVAL ACADEMY MISSION

Ref: (a) USNAINST 4001.5A
(b) USNAINST 4001.2J
(c) Superintendent memo of 28 Apr 2010 (NOTAL)
(d) DoD FMR 7000.14-R
(e) USNA Instruction 1746.1A
(f) USNA Instruction 7200.2A

Encl: (1) Hosting Ratios
(2) Entertainment Expenses for USNA Hosted Events Request/Approval Form
(3) Entertainment Expenses for USNA Hosted Events Reimbursement Form

1. Purpose. To prescribe policies, procedures, levels of approval authority and accountability for the use of gift funds, acquired per reference (a), to cover the costs of entertainment, including hosted meals and receptions, in furtherance of the U.S. Naval Academy (USNA) mission.

2. Cancellation. USNAINST 7000.4.

3. Applicability. This policy applies to all USNA personnel and programs seeking to use USNA gift funds for entertainment purposes. Reference (b) provides policies and procedures for the use of gift funds for purposes other than entertainment. Nothing in this instruction shall be interpreted as limiting the Naval Academy's ability to utilize gift funds for non-entertainment purposes. Additionally, this policy does not apply to programs, events or expenses which are paid for using Appropriated Funds (APF), Non-Appropriated Funds (NAF), Official Representation Funds (ORF), Latin America Cooperation Funds or any other non-USNA gift funding source.

4. Background. Naval Academy Gift Funds are authorized under Statutory Authority 10 U.S.C. 6973. Per this statutory authority gift funds are available for use subject to the expressed intent of the donor. Consistent with that intent, the Naval Academy regularly uses these gifts to cover the costs of entertainment.

5. Mission. The official mission statement of the Naval Academy is "To develop Midshipmen morally, mentally and physically, and to imbue them with the highest ideals of duty, honor, and loyalty in order to graduate leaders who are dedicated to a career of naval service and have potential for future development in mind and character to assume the highest responsibilities of command, citizenship and government." Implied within this mission is the necessity to attract the most qualified Midshipmen candidates, which can only be accomplished by maintaining and promoting the Naval Academy's unique strengths and opportunities it provides these future leaders. The ability to maintain positive relationships with community leaders, parents, fleet personnel, alumni, supporters, the academic community and the general public is critical to branding the Naval Academy's status as a premier institution.

15 AUG 2013

These responsibilities are executed both from the perspective of a military command and as an institution of higher education such as a public or private university. The Naval Academy, as an undergraduate institution, will execute programs similar to other public/private colleges and universities consistent with common business practices.

6. Policy. It is the policy of the Naval Academy to use Gift Funds in part, consistent with donor intent, for representational purposes in support of its mission. These unique funds allow the Naval Academy to achieve and maintain the highest level of excellence which cannot be appropriately or adequately supported solely with appropriated funds. As with other institutions of higher education around the country, the Naval Academy relies on the generosity of its donors to press the level of academic, athletic and moral achievement to new heights. Gift Funds are critical to accomplishing the unique, representational mission requirements by providing an alternate funding source, above that appropriated by Congress. The following criteria will be used to ensure Gift Funds are used appropriately:

a. In order to develop Midshipmen morally, mentally, and physically and imbue them with the highest ideals of duty, honor, and loyalty, achieving and maintaining margins of excellence are an imperative - they are necessary, not merely desirable. Therefore, Gift Fund expenditures must be necessary to further the Naval Academy's mission and should be utilized when the mission cannot be accomplished as satisfactorily or as effectively without the expenditure. The expenditure must be an effective means of accomplishing the function and not prohibited by law.

b. Cost must be reasonable. The expense, both in totality and unit cost, is not excessive and if viewed by the general public would not be perceived as wasteful or extravagant. To satisfy the "reasonableness" rule, the following guidelines are established:

(1) Cost Per Person. Where a meal is provided, the cost of the meal (to include beverages, appetizer, meal, dessert, tax and gratuity) should not exceed \$60 for dinner, \$30 for lunch, and \$20 for breakfast.

(2) Hosting Ratios. An appropriate ratio of authorized guests to Naval Academy personnel should be observed at officially hosted functions where Gift Funds are used per enclosure (1). Spouses of Naval Academy personnel may count as Naval Academy personnel when acting in a representational capacity. Midshipmen/N. A. Preparatory School (NAPS) Midshipman Candidates do not count in the hosting ratio calculation. Planning officials are reminded that the approved ratios are intended as a minimum allowable percentage to justify the gift fund expenditure for the event. The addition of other Naval Academy attendees merely because the minimum ratio may permit, is specifically prohibited. The Hosting Ratios will be determined by invited guests and not actual attendees.

7. Delegation of Authority

a. The Comptroller, per reference (c), is delegated authority and responsibility for Naval Academy Gift Funds. This authority is delegated to the Deputy Comptroller in the absence of the Comptroller. In a fiduciary role, the Comptroller assumes and accepts the responsibility for ensuring that gift funds are used in accordance with the donor's intent. Where intent is not clear, the Comptroller will work with the donor and the beneficiary to

15 AUG 2013

ensure the terms of the gifts are accurately articulated. Additionally, the Comptroller will ensure that all requirements of reference (d) are met.

b. The Naval Academy Officials identified below are delegated the authority to approve Gift Funds for requirements that meet the expressed intent of the donor and further the mission of the Naval Academy. This authority may not be re-delegated.

- (1) Chief of Staff
- (2) Commandant of Midshipmen
- (3) Academic Dean and Provost
- (4) Deputy for Finance
- (5) Director, Center for Ethical Leadership
- (6) Deputy for Information Technology
- (7) Dean of Admissions
- (8) Commanding Officer, Naval Academy Preparatory School

c. Personnel delegated the authority to approve the use of gift funds will ensure that expenses are not incurred prior to review and concurrence by the Comptroller. Commitments and/or obligations will be provided to the Comptroller in a timely manner for recording in the official accounting system.

d. Where the Comptroller or Staff Judge Advocate (SJA)/Command Counsel (CC) does not concur that the use of gift funds is consistent with the donor's intent, or the expenses do not meet the criteria of paragraph 6 above, the request will be forwarded to the Chief of Staff for determination. The Comptroller will notify the Approving Authority that the request has been forwarded and provide status updates regarding resolution to prevent an "unauthorized" expense.

8. Individuals Eligible for Gift Fund Expenses. Gift funds may be used for the individuals listed below and their invited guests.

a. Foreign citizens (distinguished persons, military personnel or government officials) whose rank, position, responsibilities, or stature justifies official entertainment.

b. Federal, State, county, and local government officials whose rank, position, responsibilities, or stature justifies official entertainment. Examples include the President and Vice President of the United States, Cabinet members, Members of Congress and Congressional staff, senior DOD policy makers (e.g. SECDEF, SECNAV, CNO), wounded service members (wounded warriors), highly decorated service members (e.g. medal of honor winners), state governors, and city mayors.

c. National or regional dignitaries; citizens committees; and prominent citizens of local communities who make a substantial contribution to the

15 AUG 2013

Nation or DoD, or to the Navy's mission. These include individuals who are recognized leaders in their fields or expertise and members of the news media on certain occasions.

d. Distinguished Graduates, Alumni, and key influencers who support the mission of the Naval Academy.

e. Individuals within the civilian community who are in positions to help represent/project the Naval Academy and its opportunities influence individuals to apply for admission to the Naval Academy, or refer names of potential candidates to Admission's staff. Examples are educators, civic or business leaders, members of professional groups, high school administrators or counselors, news media representatives, convention officials, mayors, congressional representatives, chamber of commerce or other influential individuals.

f. Individuals who are involved in the Admissions process including Blue and Gold Officers, Congressional Staff, etc.

g. Candidates and future candidates who are eligible to apply for admissions to the Naval Academy.

h. Individuals within the academic and business community who are invited to participate in events e.g., conferences, working groups, etc.

i. Naval Academy personnel and spouses who are determined to be official hosts.

j. Foreign Officers assigned to USNA and their spouses who are determined to be official hosts.

k. Midshipmen, Foreign Midshipmen and NAPS Midshipmen Candidates.

l. Foreign Midshipmen/Cadets who are at the Naval Academy for short duration visits or semester exchanges.

m. Parents of Midshipmen and Midshipmen Candidates; though the majority of USNA approved events involving parents, such as Commissioning Week and Parents' Weekend, are funded through non-gift fund sources.

9. Authorized Expenses. Expenses for official functions are authorized as follows:

a. Travel. The purchase of travel costs including transportation and per diem for lodging and meals. The Joint Federal Travel Regulations/Joint Travel Regulations (JFTR/JTR) provides policy and guidance regarding premium travel.

b. Food and Beverages. The purchase of food is authorized for meals and receptions hosting official guests.

(1) Where a meal is provided, the per person cost of the meal (to include beverages, appetizer, meal, dessert, tax, and gratuity) will not exceed \$60 for dinner, \$30 for lunch, and \$20 for breakfast. In rare exceptions, costs for official guests may exceed these rates; however,

hosting should be conducted on a modest basis with consideration given to the venue to keep costs as low as reasonable.

(2) Where the event is a reception during a normal dining hour, the guidance in paragraph 9b(1) will be followed. For a non-meal reception, the cost per person will not exceed \$20.00.

(3) Events should be scheduled to minimize the need for multiple meals to single individuals.

(4) Per reference (e), where midshipmen are provided rations in kind, they must be reimbursed by Midshipmen Food Service Division.

(5) Expenses for alcohol are authorized, but are considered part of the cost per person.

c. Light Refreshments. Expenses for light refreshments are authorized for morning, afternoon, or evening breaks at conferences, seminars, etc. Items may include coffee, tea, milk, juice, sodas, donuts, bagels, fruit, pretzels, cookies, chips, muffins, and similar items. Alcoholic beverages are not included per JFTR/JTR Appendix R1. For events held at USNA, the Naval Academy Business Services Division has established light refreshment packages. The packages may be adjusted for menu items and group size however the cost per person shall not exceed \$15. Events held at other locations should also stay within this cost per person.

d. Gratuities. Expenses for gratuities are authorized but are considered part of the cost per person and limited per paragraph 9.b. above.

e. Supplies. Expenses for disposable supplies such as napkins, table cloths, decorations, perishable flowers and/or candle arrangements, spirit items/favors are authorized. These costs are not included in the cost per person.

f. Rentals. Expenses for rental of facilities, tents, appliances, tables, chairs, dinnerware, tablecloths and other similar event support expenses directly related to the event are authorized. These costs are not included in the cost per person.

g. Recreation Event Expenses. Tickets for sporting activities and musical events are authorized.

(1) Naval Academy personnel and their spouses, acting in an official hosting capacity are eligible for event tickets e.g. Football Games, Messiah, Halloween concert, Distinguished Artists Series, etc.

(2) Midshipmen Candidates visiting the Naval Academy and attending scheduled events.

(3) Other distinguished visitors eligible for gift fund expenditures under paragraph 8.

h. Yard Tours. Efforts will be made to provide individual/group tours by Junior Officers assigned to the Naval Academy. Where USNA personnel are not available, tours may be purchased from the Naval Academy Business Services Division.

15 AUG 2013

i. Gifts and Mementos. Gift Funds may be used to purchase gifts or mementos for presentation to individuals at official events. The aggregate cost of gifts presented by any one USNA official to any one authorized guest at an event may not exceed \$300. In determining an appropriate gift or memento, approving officials should ensure the representational objectives of the Naval Academy are met.

(1) It is the intention of this policy guidance that officials select gifts or mementos that reflect uniquely on the Naval Academy. Gifts of food and alcohol products as mementos are not authorized.

(2) Gift funds shall not be used for clothing unless the item reflects uniquely on the Naval Academy.

(3) Gift funds may be used for wrapping paper and ribbon/bows necessary for the preparation of a gift of memento for presentation. These costs are not included in the value of the gift.

(4) When on official visits to foreign countries the Naval Academy representative may present mementos costing no more than \$50 to non-DoD individuals.

(5) Gift funds may be used to purchase mementos given as gifts by USNA representatives to authorized federal employees that are official guests. The cost of these items is limited to \$20. This is consistent with the Joint Ethics Regulations which limit gift acceptance by DoD personnel.

(6) In all cases, when items are presented within the authority above, a complete record must be maintained by the approving official to include the name or the recipient and the reason for the presentation. This information will be included on the expense authorization form or provided as soon as available. Mementos purchased in bulk must be maintained in an inventory. The inventory documentation will describe the item, recipient, occasion, and issue date. Annual inventory reports will be provided to the Comptroller.

j. Promotional Items for Give-Aways. Gift Funds may be used to purchase promotional items for give-aways to individuals at official events. Imprinted items will not include information that will render them obsolete after the event, e.g. year, date, etc. The aggregate cost of these items may not exceed \$15. In determining appropriate items, the individual and the purpose of their visit should be considered to ensure objectives of the Naval Academy are met.

k. Honorariums. Gift Funds may be used for honorariums to be presented to individuals e.g. speakers, lecturers, etc. at official events. See reference (f) for further guidance.

10. Unauthorized Gift Fund Expenses. To ensure that gift funds will only be used as intended and to ensure the highest order of propriety, expenses which are specifically excluded from gift funding include:

a. Food or light refreshments for Government personnel (military and civilian personnel not eligible under paragraph 8) participating in meetings attended exclusively by those individuals. Meetings that occur less than three times per year are not included in this restriction; however, costs

15 AUG 2013

for light refreshments should not exceed \$5 per individual and \$150 for the event; approval by Chief of Staff is required in each case and will be limited to special and infrequent occasions.

b. Food at training events. Training programs for Naval Academy personnel, midshipmen, and NAPS Midshipmen candidates will be scheduled and conducted to provide sufficient time in the schedule to allow attendees to break for meals.

c. Food or light refreshments where hosting ratios are not met.

d. Gifts for Naval Academy personnel in recognition of a service rendered that is within the scope of their official duties e.g., guest speakers who are USNA staff members, Midshipmen who assist in the organization or execution of events, etc. If a gift is considered for Naval Academy personnel performing a service, the supervisor of the employee will advise the Chief of Staff, in writing, whether the employee's services are within the scope of the official duties.

e. Gifts from Midshipmen to their foreign hosts when participating in a foreign language/cultural experience. These gifts are considered personal in nature.

f. Clothing except for mementos authorized in paragraph 9.j. above.

g. Compensation, honoraria or gratuity to federal employees for services performed in connection with official functions.

h. The cost of seasonal greeting cards is a personal expense to be borne by the individual who ordered and sent them. It is immaterial that a card may be "non-personal" or sent by an agency and not containing names of individuals.

i. Gifts for guests considered personal in nature.

j. Conference entertainment-related expenses prohibited by OSD policy. This is defined as providing goods or services unrelated to the purpose of the conference. Illustrative examples include hiring musicians or other entertainers, procuring extraneous promotional items, decorations, procuring tickets to recreational activities outside of the conference setting, or using funds to produce non-substantive audio/visual materials.

11. Request for Approval and Reimbursement

a. Requests for approval of gift funds for USNA official events will be submitted by the Cost Center Requestor to the Cost Center Financial Manager in the format of enclosure (2). Each expense item will be detailed separately and include a list of invited attendees. The request must be approved by the delegated approving official identified in paragraph 7 above and submitted to the Comptroller in sufficient time to process prior to the event.

b. Request for reimbursement of an approved event will be submitted by the Cost Center Requestor to the Cost Center Financial Manager in the format of enclosure (3). The original itemized receipts and the Approving Official Certification (enclosure (2)) is required as supporting documentation.

15 AUG 2013

Enclosure (3) and the supporting documentation will be submitted to the Comptroller Department for processing of payment.

12. Responsibilities

a. The Comptroller has primary responsibility for Gift Funds and shall provide policy guidance and procedures for management and execution as required.

b. Delegated Approving Officials identified in paragraph 7 will approve gift funds per the provisions of this instruction. Expenses will be approved in advance, properly documented, and provided to the Comptroller for timely recording of the commitment/obligation in the official accounting system. They will ensure that expenses are not wasteful or extravagant and that all personnel involved in the planning, processing and execution of requirements understand and comply with this instruction.

c. The SJA or CC will provide legal opinions as required.

d. The Chief of Staff will make final determination if the Approving Official, Comptroller, and SJA/CC do not concur with the funding request. The Chief of Staff, consistent with existing law/regulations and under exceptional circumstances, also has authority to grant exceptions to policy contained in this instruction when it is determined to be in the best interest of the Naval Academy.

e. The Command Evaluation Office will review the execution of requirements for compliance with this instruction not less than once every year reporting findings directly to the Superintendent, USNA.



M. H. MILLER

Distribution:
All Non Mids (electronically)

15 AUG 2013

Hosting Ratios
Official Guests to Naval Academy Personnel

The chart below identifies the number of Naval Academy personnel allowed to join official guests at an event. Once a total of 50 people attend an event a 1 Naval Academy employee to 1 official guest applies. Midshipmen do not count for hosting ratios.

Number of Official Guests	Number of Naval Academy Personnel/Hosts	Total Attendees
1	10	11
2	14	16
3	16	19
4	18	22
5	20	25
6	24	30
7-24	24	31-48
25	25	50
		1 to 1 ratio applies

Naval Academy Officials will ensure that official guests will not be increased simply to allow greater attendance by Naval Academy personnel.

15 AUG 2013

ENTERTAINMENT EXPENSES FOR USNA HOSTED EVENTS REQUEST/APPROVAL

Cost Center:	Name	Signature:	Email Address:	Extension:
Requestor:				
Financial Manager:				

Approving Official:	Email Address:	Phone Number:

Event:	
Official Guest:	
Date(s):	
Purpose:	
Time:	
Location:	

1. SUMMARY OF EXPENSES AND FUNDING SOURCES

EXPENSE	OMN	OMN (REIMB)	OMN (ORF)	OMN (LATAM)	GIFT Restricted	GIFT Unrestricted	TOTAL
Travel							
Honorarium							
Gift							
Reception (see detail below)							
Meals (see detail below)							
Printing: Posters Program							
Total Expenses							

2. EXPENSE DETAILS AND LINE ITEM APPROVAL

EXPENSE #1:	LOCATION:	FUNDING SOURCE:	COST PER PERSON:	GUEST TO HOST RATIO:

MENU:

	GUESTS		HOSTS		//////////	DEVELOPMENT	//////////
	NON-DOD PERSONNEL	DOD PERSONNEL	USNA PERSONNEL	USNA SPOUSES	SUBTOTAL	MIDN	TOTAL
Attendees (see continuation sheet)	0	0	0	0	0	0	0
Cost per person	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cost	00.00	0.00	000.00	0.00	00.00	00.00	00.00

15 AUG 2013

APPROVING OFFICIAL CERTIFICATION (initial and sign)

_____ I approve the above expense. _____ I do not approve the above expense.
 _____ I certify that the expenses approved above meet the statutory law for use of funds.
 _____ I certify that the expenses approved above meet the criteria for justifying discretionary expenses. They are necessary to further an official purpose of the Naval Academy and that the Naval Academy's functions could not have been accomplished as satisfactorily or as effectively from the Government's standpoint without such expenditures.

Signature: _____ Date: _____

EXPENSE #2:	LOCATION:	FUNDING SOURCE:	COST PER PERSON:	GUEST TO HOST RATIO:
MENU:				

PERSONNEL	GUESTS		HOSTS		//////////	DEVELOPMENT	//////////
	NON-DOD PERSONNEL	DOD PERSONNEL	USNA PERSONNEL	USNA SPOUSES	SUBTOTAL	MIDN	TOTAL
Attendees (see continuation sheet)	0	0	0	0	0	0	0
Cost per person	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00

APPROVING OFFICIAL CERTIFICATION (initial and sign)

_____ I approve the above expense. _____ I do not approve the above expense.
 _____ I certify that the expenses approved above meet the statutory law for use of funds.
 _____ I certify that the expenses approved above meet the criteria for justifying discretionary expenses. They are necessary to further an official purpose of the Naval Academy and that the Naval Academy's functions could not have been accomplished as satisfactorily or as effectively from the Government's standpoint without such expenditures.

Signature: _____ Date: _____

3. CERTIFICATION OF FUNDS AVAILABILITY

I certify that I hold an approved budget and that funds are available for the expenses approved above.

Signature: _____ Date: _____

Copy to: Comptroller
 Purpose: To record obligation in the official accounting system.

4. COMPTROLLER OBLIGATION INFORMATION

Document Number: N00161 _____ Account: _____

Date Entered in FASTDATA: _____ Amount: \$ _____

USNA DH 7000/1 (8/2013)

15 AUG 2013

**ENTERTAINMENT EXPENSES FOR USNA HOSTED EVENTS
REQUEST/APPROVAL – CONTINUATION SHEET**

LIST OF ATTENDEES

	Expense #1 – Reception	Expense #2 - Dinner
Guests – Non-DoD Personnel	1.	1.
	2.	2.
Guests – DoD Personnel	None	None
Hosts – USNA Personnel	1.	1.
	2.	2.
	3.	3.
	4.	4.
	5.	5.
	6.	6.
	7.	7.
	8.	
Hosts – USNA Spouses	None	None
Midshipmen	1.	
	2.	
	3.	
	4.	
	5.	
	6.	
	7.	
	8.	
	9.	
	10.	

USNA DH 7000/1 (8/2013)

