

**SUMMARY OF MAJOR CHANGES TO
DOD 7000.14-R, VOLUME 12, CHAPTER 17
“DoD REWARDS PROGRAM”**

★ This is a new Department of Defense Financial Management Regulation (“DoDFMR”) Chapter.

Hyperlinks are denoted by underlined, bold, italic font.

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
New Chapter	Incorporates the Deputy Secretary of Defense memorandum on “Implementation Guidance for the DoD Rewards Program” dated August 19, 2008, as a permanent part of the DoD Financial Management Regulation.	

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CHAPTER 17

★ DoD REWARDS PROGRAM ★1701 PURPOSE AND APPLICABILITY

170101. This guidance provides guidance on the implementation of the Department of Defense (DoD) Rewards Program and applies to all organizational entities within DoD. It covers the execution, management, recording and reporting of expenditures of U.S. appropriations available for the DoD Rewards Program. It assigns responsibilities for administering the DoD Rewards program; defines the purposes for which U.S. appropriations may be used; and provides specific procedures for executing, managing, recording and reporting such expenditures to ensure transparency and accountability of funds. The geographic combatant commanders are authorized to provide additional guidance consistent with this guidance.

170102. Under Title 10, U.S. Code, section 127b, the Secretary of Defense may pay rewards to persons for providing U.S. Government personnel or government personnel of allied forces participating in a combined operation with U.S. armed forces with information or non-lethal assistance that is beneficial to: (1) an operation or activity of the armed forces or of allied forces participating in a combined operation with allied forces conducted outside of the United States against international terrorism; or (2) force protection of the armed forces or allied forces participating in a combined operation with U.S. armed forces. This authority is useful to encourage the local citizens of foreign countries to provide information and other assistance, including the delivery of dangerous personnel and weapons, to U.S. Government personnel or government personnel of allied forces. The DoD Rewards Program makes available incentives that U.S. Government personnel of allied forces can use to encourage cooperation.

170103. The National Defense Authorization Act for Fiscal Year 2008, Public Law 110-181, Section 1033, “Improved Authority to Provide Rewards for Assistance in Combating Terrorism,” amends 10 U.S.C., section 127b to (1) increase the maximum amounts payable; and (2) allow the involvement of allied forces.

170104. For the purposes of this document only, the term “allied forces” is defined as foreign government personnel participating with U.S. armed forces in combined operations outside of the United States against international terrorism.

1702 RESPONSIBILITIES

170201. Under Secretary of Defense (Comptroller) (USD(C)). The USD(C) shall provide funds to the Director, Washington Headquarters Services, for the DoD Rewards Program.

170202. Under Secretary of Defense (Policy) (USD(P)), Assistant Secretary of Defense Special Operations and Low Intensity Conflict & Interdependent Capabilities (ASD SO/LIC&IC). ASD SO/LIC&IC shall:

- A. Implement policy for the DoD Rewards Program.
- B. Maintain a single consolidated Secretary of Defense pre-approved rewards list. This list will include the identity, nominating headquarters or office, the amount approved and other relevant data. Combatant Commanders may nominate individuals or items to be placed on the pre-approved rewards list through the Director, Joint Staff.
- C. Coordinate the Secretary of Defense pre-approved rewards list with the Department of State and the Department of Justice to ensure that a reward does not duplicate or interfere with the payment of reward authorized by those Departments.

170203. Geographic Combatant Commander. Each geographic combatant commander shall:

- A. Designate, in writing, a program liaison officer to serve as the point of contact for all disbursement of funds, goods, or services;
- B. Establish procedures for the accounting, obligating, cash management, and disbursement of funds;
- C. Establish procedures and processes to coordinate notification of awards with appropriate representatives of the Department of State and the Department of Justice to ensure the making a reward does not duplicate or interfere with the payment of a reward authorized by those Departments.
- D. Establish internal controls and review procedures for classified voucher processing when required.
- E. Provide a copy of commander-approved lists to the Director, Joint Staff as updates occur.
- F. Report quarterly to the ASD SO/LIC&IC, through the Director, Joint Staff using the format depicted at Figure 17-2, "DoD Rewards Program Quarterly Report."
- G. Submit estimated rewards program budget requirement for the upcoming fiscal year on August 15 of the current fiscal year.
- H. Report annually to the Director, Joint Staff, no later than October 15 of each year for the preceding fiscal year.
- I. Request additional funds from ASD SOLIC& IC if all available funds for these purposes have been expended and additional funds are required.

170204. Director, Joint Staff. The Director, Joint Staff shall consolidate combatant command annual reports into a single report and provide to the ASD SOLIC&IC no later than November 1.

170205. Washington Headquarters Service (WHS). WHS shall allocate funds to the geographic combatant commanders at the direction of the ASD SO/LIC&IC.

1703 IMPLEMENTING THE PROGRAM IN THE FIELD

170301. A reward may be paid for information or nonlethal assistance that is beneficial to (1) an operational activity of the armed forces or of allied forces participating in a combined operation with U.S. armed forces conducted outside the United States against international terrorism, or (2) force protection of the armed forces or of allied forces participating in a combined operation with U.S. armed forces.

170302. A monetary payment or a payment-in-kind in an amount greater than \$1,000,000 and up to \$5,000,000 requires the approval of the Secretary of Defense or the Deputy Secretary of Defense, or pursuant to a separate written delegation, the USD(P). If any nominated reward (pre-approved or otherwise) is in excess of \$2,000,000, the Secretary of Defense by statute is required to first consult with the Secretary of State.

170303. Geographic combatant commanders may nominate individuals or items to be placed on the Secretary of Defense pre-approved rewards list for rewards in amounts that are in excess of the authority delegated to the combatant commanders. Geographic combatant commanders will submit nominations for the pre-approved rewards list through the Director, Joint Staff, to ASD SO/LIC&IC. ASD SO/LIC&IC will coordinate the Secretary of Defense pre-approved rewards list with the Department of State and the Department of Justice to ensure that a reward does not duplicate or interfere with the payment of a reward authorized by those departments, and will forward nominations to the Secretary of Defense or Deputy Secretary of Defense for approval. ASD SO/LIC&IC will maintain a single consolidated list of Secretary of Defense pre-approved rewards. This list will include the identity, nominating headquarters or office, the amount approved, and other relevant data.

170304. A geographic combatant commander is authorized to approve rewards in an amount or with a value not in excess of \$1,000,000 per reward. Geographic combatant commanders are required to provide contemporaneous written notification to ASD SO/LIC&IC when approving or pre-approving awards and payments of \$200,000 or more.

170305. The geographic combatant commander may provide a list of pre-approved rewards for information or assistance related to specific persons or items. Pre-approval of rewards will allow forces in the field to pay a reward quickly for the information or assistance of high interest to the U.S. Government, with the approval of the combatant commander reflected in the pre-approved list. Geographic combatant commanders will provide a copy of their geographic combatant commander-approved lists to the Director, Joint Staff as updates occur.

170306. A geographic combatant commander may delegate his authority to approve or pre-approve rewards to the deputy commander. Further, a geographic combatant commander may delegate this authority to the commander of a command directly subordinate to that geographic combatant commander, subject to Secretary of Defense or the Deputy Secretary of Defense approval of such delegation of authority.

170307. A geographic combatant commander may further delegate the authority to approve for rewards in the amount or with a value not in excess of \$10,000 to any subordinate U.S. service member or civilian U.S. government employee by authorizing the appointment of Rewards Authorization Officers (RAO). All appointment shall be in writing and shall clearly state the scope of the reward authority, any limitations thereon, and the accounting procedures to be used. When authorizing the appointment of RAOs, geographic combatant commanders shall establish procedures and criteria that RAOs should apply to determine if information or other assistance merits payment of a reward, the type of reward, and the amount.

170308. When promulgating a list of pre-approved rewards to forces in the field, geographic combatant commanders will establish procedures and assign responsibility for certifying that information or assistance received satisfies the criteria for the geographic combatant commander's approval. Responsibility to certify that information or assistance meets the parameters of a pre-approved reward may be assigned without regard to the dollar value limits on delegation of reward approval authority. Only U.S. RAOs may be authorized to perform this function.

170309. Rewards may be paid in cash, either in U.S. or foreign currency. RAOs may also authorize payments-in-kind, including with food, local amenities, necessities, or communal rewards.

170310. Once a RAO has authorized or certified a reward, that officer will notify the program liaison officer, or a designated disbursing officer or paying agent appointed in accordance with [Volume 5, Chapter 2, "Disbursing Offices, Officers, and Agents"](#) of this Regulation, who will make the authorized payment.

170311. The geographic combatant commander's procedures will include a process to coordinate with appropriate country team representatives of the Department of State and the Department of Justice to ensure making of a reward does not duplicate or interfere with the payment of a reward authorized by those departments.

170312. Geographic combatant commanders may request additional funds from ASD SOLIC&IC if all available funds for these purposes have been expended and additional funds are required. Each geographic combatant commander will submit estimated budget requirements for the upcoming fiscal year on August 15th of the current fiscal year.

1704 PROCEDURES

170401. Allocation of Funds. The USD(C) shall ensure that DoD appropriations and other funds available for the Rewards Program are properly allocated to WHS for funds control and execution. Geographic combatant commanders will notify of the Director, Joint Staff of appropriate inter-theater allocation.

170402. Improper Usage of Funds. A U.S. citizen, an officer or employee of the U.S. federal state, or local government, or an employee of a U.S. Government contractor shall not be eligible for a reward under the DoD Rewards Program. Members of a security force of a foreign government are not eligible to receive rewards under this program. The USD(P) may waive the prohibition against rewarding members of foreign security forces in specific countries, and will review such waivers at least annually. Requests for USD(P) approval of such authority should be sent to the ASD SO/LIC&IC. Waivers approved prior to the effective date of this guidance remain in effect.

170403. Delivery, Transporting and Safeguarding of Funds. Any funds made available for the DoD Rewards Program shall be delivered, transported and safeguarded consistent with [Volume 5, Chapter 3, "Keeping and Safeguarding Public Funds"](#) of this Regulation.

170404. Appointment of Paying Agents. Paying Agents responsible for making delivery of funds under the DoD Rewards Program shall be appointed consistent with [Volume 5, Chapter 2, "Disbursing Offices, Officers, and Agents"](#) of this Regulation. The allied forces member shall receive the same training as U.S. paying agents and sign a statement of understanding. Foreign nationals and other non-U.S. citizens may not be held pecuniary liable for losses of funds, therefore when appointing non-U.S. citizens as paying agents consider the necessity and the risk of using allied paying agents. All funds advanced to and returned from the allied forces paying agents shall be documented on a DD Form 1081 (Statement of Agent's Officer's Account) in accordance with [Volume 5, Chapter 19, "Disbursing Officers' Accountability Reports"](#) of this Regulation. Upon completion of authorized payments, the paid vouchers, negotiable instruments, and any balance of funds shall be returned to the disbursing officer with a properly completed DD Form 1081.

170405. Documentation of Payments. Payments under the DoD Reward Program shall be made and documented consistent with [Volume 5, Chapter 11, "Disbursements,"](#) and [Volume 10, Chapter 8, "Supporting Documents to Payment Vouchers"](#) of this Regulation.

170406. Circumventing Limits. Monetary limits and approval requirements may not be circumvented by "splitting" a single reward through the multiple rewards, or otherwise.

170407. Clearance of Accounts. Accounts maintained under the Rewards Program shall be cleared consistent with, [Volume 5, Chapter 2, "Disbursing Offices, Officers, and Agents"](#) of this Regulation.

170408. Certification of Payments. Payments made under the DoD Rewards Program shall be certified in a manner consistent with [Volume 5, Chapter 33, "Accountable Officials and Certifying Officers"](#) of this Regulation.

170409. Audits and Program Reviews. The administration of the DoD Rewards Program will be subject to periodic audits by DoD's internal review and audit organizations, including the DoD Inspector General and the various audit agencies, as well as external organizations such as the Government Accountability Office and congressional oversight committees. All officials responsible for administering the Rewards Program shall cooperate fully with any review, audit or investigation conducted by such organizations.

1705 PAYMENTS AND REWARDS THROUGH GOVERNMENT PERSONNEL OF ALLIED FORCES

170501. Execution of Rewards Through Allied Government Personnel. The Secretary of Defense, geographic combatant commanders, and all delegated officials may use their authorities, acting through government personnel of allied forces to offer and make rewards. Rewards may not be paid acting through allied government officials after September 30, 2009.

170502. Request for Payment of Reward. Allied government personnel will forward requests for payment of rewards to the geographic combatant commander's appointed program liaison officer or to a RAO (U.S. service member or civilian U.S. Government employee) who has been delegated authority to approve a reward in the requested amount. That individual will determine if the information or other assistance merits payment of a reward, the type of reward, and the amount.

170503. Appointment of Allied Government Personnel as Paying Agents. When practical, rewards payments in support of allied forces will be directly distributed by U.S. personnel. When direct payment of rewards by U.S. personnel is not practical, commanders may appoint allied personnel as paying agents for the DoD Rewards Program, notwithstanding the requirement in the Department of Defense Financial Management (DoDFMR) that paying agents be U.S. service members or civilian U.S. Government employees. Commanders should adhere to the other provisions of the DoDFMR, [Volume 5, Chapter 2, "Disbursing Offices, Officers, and Agents"](#) of this Regulation when appointing allied paying agents. Commanders and disbursing officers must carefully consider the risks of using allied government personnel as paying agents. A paying agent is an agent to the disbursing officer, and the disbursing officer remains liable for public funds advanced to an allied paying agent. Commanders and disbursing officers must maintain prudent internal controls to minimize the potential risks of fraud, waste, and mismanagement by allied personnel. All funds advanced to and returned from the allied paying agent shall be documented on a DD Form 1081 in accordance [Volume 5, Chapter 19, "Disbursing Officers' Accountability Reports"](#) of this Regulation. Upon completion of authorized payments, the paid vouchers, negotiable instruments, and any balance of funds shall be returned to the disbursing officer with a properly completed DD Form 1081.

170504. Allied Government Personnel Limitations. Funds will not be advanced to allied paying agent until a specific reward has been approved for payment to an identified payee. Disbursing officers advance funds to allied paying agents after examination of the payment voucher for the rewards. All funds advanced to and returned from the allied paying agent shall be documented on a DD Form 1081.

170505. Allied Government Personnel Limitations. Combatant commands are responsible for ensuring all allied government personnel, nominated by their subordinate commands to offer or make rewards are properly qualified and trained. Combatant commands are also responsible for ensuring that allied government personnel through whom rewards are made perform their duties in accordance with DoD policy and procedures. Allied force government personnel participating in the reward program will have a designated U.S. liaison officer through whom to request reward funds or in-kind items and validate the information/non-lethal support.

1706 INFORMATION DISSEMINATION

170601. Information Dissemination. Media queries regarding the DoD Rewards Program shall be referred to the Office of the Assistant Secretary of Defense for Public Affairs.

170602. Program Identification and Combination with Other Programs. There is no requirement that this program be identified as a U.S. or DoD program or include an official U.S. or DoD symbol. Geographic combatant commanders may combine efforts with other U.S. Government rewards programs and are not required to differentiate this program from other U.S. Government Rewards Programs, provided the DoD Rewards Program does not duplicate or interfere with the payment or publicity of a reward authorized by the Department of State or the Department of Justice.

170603. Advertisements. Geographic combatant commanders are authorized to expend funds to publicize the DoD Rewards Program and to pay associated administrative costs. Advertisements may refer to coalition or allied headquarters as the agency offering the reward. Within a coalition or allied headquarters, U.S. control over reward offers and authorizations shall be maintained, with authorizations may by U.S. commanders at the level prescribed. Geographic combatant commanders are authorized, within existing authorities, to use theater information dissemination programs to support the DoD Rewards Program. Advertising programs should leverage Military Information Support Team (MIST) programs. Funds expended to publicize and administer the program will be clearly identified and accounted for in quarterly and annual reports and include information on the target audience, funds required, and objectives. .

1707 REPORTS AND NOTIFICATIONS

170701. Combatant Commander's Quarterly Reports. Quarterly reports shall be submitted to the ASD SO/LIC&IC, through the Director, Joint Staff, using the format at Figure 17-1, "Record of Payment." The combatant command's quarterly reports will be

submitted no later than 15 days after the end of each quarter of the fiscal year and will report for the preceding quarter and will include:

A. The amount or value of each reward and whether the reward was provided as monetary payment or payment-in-kind.

B. The recipient of each reward, identified by true name or by reference to National File Number (NFN) in the Defense Source Registry, Source Code Identifier (SCI) in the Interagency Source Registry, or One Time Source (OTS) number assigned with a Collector Reporter Code. Reports may be submitted at the level of classification necessary to protect intelligence sources and methods. Rewards to anonymous sources are not authorized.

C. A description of the information or assistance for which the reward was paid, with an assessment of the significance and benefit of the information or assistance. The significance and benefit of the specific information or assistance received will be ranked as high (1), medium (2), or low (3) in the categories of Operations (OP) or Force Protection (FP).

D. The amount expended, if any, to publicize the availability of the rewards program. Provide a description of services and products resulting from the expenditure of funds to publicize the availability of the rewards program.

E. The amount expended, if any, to administer the program. Provide a description of the actions or products resulting from the expenditure of funds for administration.

F. Identification of those rewards that are made acting through government personnel of Allied Forces. Include the nationality, office or position, and organization of the Allied government official who requested payment of the reward.

170702. Geographic Combatant Command Annual Reports. Annual reports shall be submitted to the Joint Staff, no later than October 15 of each year for the preceding fiscal year. The annual report will consolidate the information contained in the quarterly reports and provide an assessment of the program. The Director, Joint Staff will consolidate the combatant command annual reports into a single report and provide that report to the ASD SOLIC&IC no later than November 1.

1708 WAIVERS

170801. Request for waivers or exceptions to any provision of law that would (but for the waiver) prohibit, restrict, limit or otherwise constrain the execution of the reward program must be submitted through the USD(C) and DoD General Counsel to the Secretary of Defense for approval.

170802. Requests for waivers or exceptions to this guidance must be submitted to the USD(C) for approval.

FY 2008 Quarterly Report Summary				
First Quarter		ALLOTMENTS:	EXPENDITURES:	
		Program Funds		
	Command	Allotted	Obligated/Paid	Advertising/Administration
	USCENTCOM			
	USEUCOM			
	USPACOM			
	USSOUTHCOM			
	Totals:			
Second Quarter		ALLOTMENTS:	EXPENDITURES:	
		Program Funds		
	Command	Allotted	Obligated/Paid	Advertising/Administration
	USCENTCOM			
	USEUCOM			
	USPACOM			
	USSOUTHCOM			
	Totals:			
Third Quarter		ALLOTMENTS:	EXPENDITURES:	
		Program Funds		
	Command	Allotted	Obligated/Paid	Advertising/Administration
	USCENTCOM			
	USEUCOM			
	USPACOM			
	USSOUTHCOM			
	Totals:			
Fourth Quarter		ALLOTMENTS:	EXPENDITURES:	
		Program Funds		
	Command	Allotted	Obligated/Paid	Advertising/Administration
	USCENTCOM			
	USEUCOM			
	USPACOM			
	USSOUTHCOM			
	Totals:			
Annual Totals		ALLOTMENTS:	EXPENDITURES:	
		Program Funds		
	Command	Allotted	Obligated/Paid	Advertising/Administration
	USCENTCOM			
	USEUCOM			
	USPACOM			
	USSOUTHCOM			
	Totals:			

Figure 17-2. DoD Rewards Program Quarterly Report Summary