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CHAPTER 4.

GIFTS AND BEQUESTS TO NOAA

SECTIONS

PURPOSE.....	1
SCOPE	2
AUTHORITY	3
POLICY	4
EFFECT ON OTHER ISSUANCES	5
APPENDIX A: REQUIRED APPROVALS FOR ACCEPTANCE OF GIFTS AND BEQUESTS	6
APPENDIX B: REQUIRED APPROVALS FOR EXPENDITURE OF GIFTS AND BEQUESTS FUNDS	7
APPENDIX C: INSTRUCTION SHEET FOR DONOR OF CHECK TO NOAA	8
APPENDIX D: NOAA TRAVEL GIFT QUESTIONNAIRE	9

4-01 PURPOSE.

This chapter prescribes policy and procedures pertaining to the receipt and use of gifts and bequests made to the National Oceanic and Atmospheric Administration (NOAA). It supplements Department of Commerce (DOC) Accounting Principles and Standards Handbook, Chapter 16, *Gifts and Bequests*, and DOC Administrative Order (DAO) 203-9, *Gifts and Bequests*.

4-02 SCOPE.

This policy is applicable to all components of NOAA/cross-serviced agencies to which funds are available.

4-03 AUTHORITY.

Section 1522 of Title 15, United States Code (U.S.C.), which authorizes the Secretary of Commerce to accept and use gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department of Commerce.

DAO 203-9, *Gifts and Bequests* (available online at http://www.osec.doc.gov/omo/dmp/daos/dao203_9.html), which delegates limited authority to accept, reject, hold, administer, and use gifts and bequests of personal and real property, to the Under Secretary and Administrator, NOAA.

DOC Accounting Principles and Standards Handbook, Chapter 16, *Gifts and Bequests* (available online at http://www.osec.doc.gov/ofm/Accounting/Chapter_16_Acctg_Hdbk_2-7-08.pdf), which sets forth the principles and standards pertaining to the receipt and use of gifts and bequests made to the Department of Commerce.

DAO 202-739, *Gifts and Decorations From Foreign Governments And To Foreign Individuals* (available online at http://www.osec.doc.gov/omo/dmp/daos/dao202_739.html), which prescribes policy and procedures regarding the acceptance, retention and disposition of gifts and decorations tendered by foreign governments to employees of the Department of Commerce.

DAO 203-10, *Official Entertainment and Representation Authorizations* (available online at http://www.osec.doc.gov/omo/dmp/daos/dao203_10.html), which prescribes general guidelines for expenditures of funds for official entertainment and representation.

Section 4111 of Title 5, U.S.C., which describes conditions for employee acceptance of contributions, awards, and payments made in connection with non-Government sponsored training or meetings.

4-04 POLICY.

4.04.01 DELEGATION OF AUTHORITY:

DAO 203-9, section 4, delegates the authority to accept, reject, hold, administer, and use gifts and bequests of personal and real property to the Under Secretary and Administrator, NOAA, subject to the limits specified in the DAO. This authority may be redelegated, except as otherwise provided in the DAO. Those persons authorized to accept gifts or bequests are hereinafter referred to as "authorized officials." The authority to accept a gift or bequest includes the authority to negotiate the terms of acceptance of a gift or bequest, or to refuse to accept a gift or bequest.

When on official travel, or in other circumstances where an offer of a donation may arise, Department employees may be designated by authorized officials to accept gifts and bequests on an ad hoc basis. Such authority may be granted retroactively, but only if circumstances prevented the employee from seeking authorization prior to the acceptance of the gift or bequest.

An employee not authorized to accept gifts and bequests should immediately report any offer of a gift or bequest to his or her supervisor. The employee shall request approval from an authorized official to accept gifts and bequests prior to receipt or tell the donor that he or she will put the donor in contact with an official specifically designated to accept gifts.

4.04.02 GIFTS AND BEQUESTS FUND MANAGER:

DAO 203-9, section 5, requires the Under Secretary and Administrator, NOAA to appoint a Gifts and Bequests Fund manager within the Office of the Chief Financial Officer. The responsibilities

of the Gifts and Bequests Fund manager and the NOAA Director, Finance Office/Comptroller are detailed in DOC Accounting Principles and Standards Handbook, Chapter 16, section 3.0.

4.04.03 ACCEPTANCE OF GIFTS AND BEQUESTS:

DAO 203-9, sections 6 and 8, and DOC Accounting Principles and Standards Handbook, Chapter 16, sections 4.0 through 6.0, specify the Departmental policy and procedures for accepting gifts and bequests.

Supplemental policies and procedures include:

- a. An authorized official must notify the NOAA Gifts and Bequests Manager, upon confirmation by the donor, of expected gifts and bequests donations to NOAA. This information will be used in the orderly planning of official functions, for the effective management of public funds, and to support the accounting records.
- b. All gifts, including gifts in-kind, shall be approved by an authorized official before they are accepted. This includes gifts for travel valued at less than \$250 which are not reported to the Office of the Assistant General Counsel for Administration. The appropriate official shall indicate approval by signing a CD-210, *Record of Gift or Bequest*, (available online at <http://ocio.os.doc.gov/s/groups/public/@doc/@os/@ocio/@oitpp/documents/content/dev01002426.pdf>) prior to travel or acceptance of a gift. If a gift is offered while on official travel, the traveler shall contact the approving official for clearance before it is accepted, unless the approving official had delegated to the traveler the authority to accept the gift. The dollar amount recorded on a CD-210 should represent an estimate of the value of a future gift or the actual value of the assets or services which have been received. Employees must complete a travel voucher after a trip that involves a travel gift. This must be done even if the trip involved no expense to the Government. Employees must retain evidence of all gifts by obtaining receipts, unless the gift is a meal.
- c. A separate report shall be prepared for each travel gift which totals more than \$250 per event. These reports must be submitted on a semi-annual basis to the Office of the Assistant General Counsel for Administration by April 30 with respect to payment received in the preceding period beginning on October 1 and ending on March 31; and October 31 with respect to payment received in the preceding period beginning on April 1 and ending on September 30. The information required to be submitted on these reports is contained in Form SF-326, *Semiannual Report of Payments Accepted From A Non-Federal Source* (available online at [http://contacts.gsa.gov/webforms.nsf/0/D05E06507A1BDD9E85256A3F000286D7/\\$file/SF%20326.pdf](http://contacts.gsa.gov/webforms.nsf/0/D05E06507A1BDD9E85256A3F000286D7/$file/SF%20326.pdf)). To ensure proper completion of this form, the *NOAA Travel Gift Questionnaire* in appendix D should also be completed.
- d. An individual employee or authorized official shall not accept, under any circumstances, gifts or bequests in the form of cash. The donor shall be requested instead to make out a check or equivalent instrument payable to NOAA, which may then be accepted by an authorized official. Employees in such cases should explain the intent of this policy, i.e., the protection

of the interest of the employee, the donor, and the Government; and that there is no exception to this policy.

4.04.04 USE OF GIFTS AND BEQUESTS FUND:

DAO 203-9, section 7, and DOC Accounting Principles and Standards Handbook, Chapter 16, section 7.0, specify the Departmental policy and procedures for the use of gifts and bequests. DAO 203-10 prescribes general guidelines for expenditures of funds for official entertainment and representation.

Supplemental policies and procedures include:

- a. Every effort should be made to use gifts or bequests donated for a specific purpose in accordance with the terms of the gift or bequest.
- b. Unconditional gifts and bequests (no matching expense is expected to be incurred), and the income from their investment, shall be used for any purpose that aids or facilitates the work of NOAA. This includes, but is not limited to, the following:
 1. Program support, whether or not appropriated funds exist, provided that such expenditures are not barred by law or regulation.
 2. Official travel of employees.
 3. Official entertainment and representation (see DAO 203-10 for approval requirements).
 4. Any other activity where an authorized official determines that a mission-related necessity exists.
- c. Gifts and bequests funds shall not be used for the following types of expenditures:
 1. Office parties or social events primarily for the benefit of Government employees.
 2. Other expenditures specifically prohibited by DA0 203-10, such as printing or engraving expenses, issuing Christmas cards or other types of greeting cards, membership fees or dues.
 3. Gifts or tokens for Government employees.
 4. Travel expenses of family members accompanying employees on official travel, unless such members are performing Governmental functions, including serving in a representational capacity during foreign travel. Advice from the General Counsel should be obtained in such circumstances. For current policy concerning travel, see the NOAA Travel Handbook.
- d. The NOAA Gifts and Bequests Manager shall establish a system of administrative funds controls for the NOAA Gifts and Bequests Fund to ensure that obligations and expenditures do not exceed available funds.
- e. The penalty for violation of NOAA gifts and bequests policy will include, at a minimum, reimbursement of funds where inappropriate expenditures have been made or where they have exceeded available funds.

- f. The use of in-kind gifts shall be documented with receipts or other related evidence (e.g., copies of hotel bills or airline tickets or other such evidence of value that identifies the expenses paid by the donor.).
- g. All expenditures from the NOAA Gifts and Bequests Fund shall be supported with an approved Form CD-464, *Request for Authorization for Official Entertainment*, (available online at <http://ocio.os.doc.gov/s/groups/public/@doc/@os/@ocio/@oitpp/documents/content/dev01002518.pdf>) per DAO 203-10, or an equivalent form for non-entertainment expenditures.
- h. Per DAO 203-10, the approval of the Chief Financial Officer and Assistant Secretary for Administration is required for all expenditures which exceed \$2,500.

4.04.05 ROYALTIES AND HONORARIA:

DOC Accounting Principles and Standards Handbook, Chapter 16, section 1.0, specifies that royalties and honoraria are not gifts and bequests. An employee may not accept, on behalf of himself/herself or NOAA, any royalty or honorarium resulting from work-related activities.

4.04.06 GIFTS AND BEQUESTS OF PROPERTY:

- a. Organizational units receiving a gift offer of personal property or equipment shall contact the servicing Personal Property Management Branch. Those receiving a gift offer of real property shall contact the Real Property Management Division. The servicing Personal Property Management Branch and the Real Property Management Division shall aid in the valuation of the property and prepare Form CD-210 for approval. After receiving proper approvals, the property office shall send the Form CD-210 and evidence of the property to the Gifts and Bequests Fund Manager. If accepted, the Manager shall return the form to the property office. The respective offices shall record the property in the inventory records and retain the original approved Form CD-210. A copy shall be sent to the originating organization unit. See section 4.4.10 for information regarding gifts of tangible property from foreign governments.
- b. An inventory of capitalized and accountable donated property shall be maintained.
- c. A physical count shall be taken of donated property at least annually. The NOAA Finance Office should assist in the inventory, both to provide independent verification and to fulfill the finance responsibility of being assured of the valuation of inventory when preparing financial statements.
- d. Donated property inventory records shall be updated each time an item is destroyed, excessed to the General Services Administration (GSA), or otherwise discarded.

4.04.07 REQUIREMENTS FOR GIFTS AND BEQUESTS FOR OFFICIAL TRAVEL:

DAO 203-9, section 9, specifies the Departmental policy and procedures for gifts and bequests for official travel.

Supplemental policies and procedures include:

- a. Gifts and bequests may be accepted to pay or reimburse, in whole or in part, expenses of NOAA employees in approved official travel in the following circumstances:
 1. Travel is in accord with the provisions of this section and with ethical standards of conduct expected of all Federal employees.
 2. Generally, travel expenses paid are limited to those authorized by the DOC Travel Handbook. If a non-Federal source makes full payment in excess of the limitations, reimbursement to the employee shall be the amount paid for expenses, provided it does not exceed the amount of expenses incurred. Excess money shall be offered to be returned to the donor by the receiving office.
 3. In advance or on a reimbursable basis, reimbursements by check may not be made to the employee. This is a violation of the GSA Federal Travel Regulations.
 4. Goods or services in-kind, such as airline tickets, hotel accommodations, and meals, may be accepted for all or part of such travel, if appropriate. When expenses otherwise covered by per diem are donated, per diem paid to the employee must be adjusted accordingly. The employee may receive no more by virtue of the donation than he/she is entitled to under travel rules and regulations.
- b. The DOC Office of the Assistant General Counsel for Administration recommends that their office review and advise on all travel gifts before they are accepted. Their Ethics Law and Programs Division is responsible for reviewing all travel gifts of greater than \$250 and requires offices to reimburse donors for those travel gifts that are inconsistent with law or policy. To avoid such problems, advice on acceptance of a travel gift should be sought before the travel takes place.
- c. Generally, a travel gift may not be approved by the Ethics Law and Programs Division if acceptance would cause an appearance of impropriety by NOAA. This means that, except in rare circumstances, travel may not be accepted from a donor that is a contractor (or bidder on a contract), a grantee (or an applicant for a grant), a licensee (or license applicant), or someone that has an interest in a controversial matter (such as litigation) pending before the applicable NOAA line office.
- d. Travel gifts to the Office of Oceanic and Atmospheric Research (OAR) are analyzed on a somewhat different standard; a travel gift may be accepted upon a showing that travel in a particular case is not likely to cause an appearance of impropriety. Factors considered include the value of the travel gift, the value of any outstanding contract or grant, and whether the grant or contract is with a laboratory or office different than that of the traveling employee.

- e. A travel gift may not be solicited.
- f. Also, first class airline travel may not be accepted unless such class of travel is authorized for the employee per the criteria specified by Federal Travel Regulation section 304-5.5.
- g. Any employee that has a question as to whether a travel gift may be legally accepted by NOAA should contact a DOC ethics official at 202-482-5384.
- h. Travel gifts to OAR are examined on a case-by-case basis and travel gifts may be accepted from OAR grantees or contractors in some situations considering the totality of circumstances. Factors that may justify acceptance of a travel gift from an OAR grantee or contractor include:
 - the gift is of low value (such as less than \$250)
 - the gift is of low value in relation to the value of the grant (such as if the grant is for millions of dollars and the travel gift is valued at a few hundred dollars)
 - the traveling employee is from a Laboratory (such as the Air Resources Laboratory or Earth Systems Research Laboratory) or office (such as Office of Weather and Air Quality) different than the Laboratory or office that issued the grant
 - the traveling employee has no duties related to the grant
 - the purpose of the travel is to educate the public or disseminate information generally to the members of an industry
 - the purpose of the travel is to support an important OAR program or policy goal
 - the travel does not have a significant recreational or entertainment component.

No one factor is determinative; all relevant facts and circumstances are to be considered together to reach a finding as to whether acceptance of a gift in a particular situation will create an appearance to a reasonable member of the public that the gift will influence agency actions (other than attendance at the event in question). Note however, a travel gift may never be solicited.

Before a travel gift may be accepted the OAR Laboratory or Program Director must issue a certification, such as follows:

"I, _____, as Director of _____, have investigated and determined that the donor has no contract or grant or interest in any controversial matter before OAR." *or*
"... considered the fact that [*donor*] has a [contract *or* grant *or* interest] before OAR and have determined that despite the [contract/grant/interest] it is appropriate for NOAA to accept the travel gift because [*explanation of why the gift should be accepted*]."

4.04.08 GIFTS AND BEQUESTS OF TRAINING/ATTENDANCE AT MEETINGS:

Section 4111 of Title 5, U.S.C., prescribes the conditions for employee acceptance of contributions, awards, and payments made in connection with non-Government sponsored training or meetings.

4.04.09 GIFTS AND BEQUESTS FOR OFFICIAL ENTERTAINMENT:

DAO 203-10 specifies the Departmental policy and procedures for expenditures of funds for official entertainment and representation.

4.04.10 GIFTS AND DECORATIONS FROM FOREIGN GOVERNMENTS:

DAO 202-739 specifies the Departmental policy and procedures regarding the acceptance, retention and disposition of gifts and decorations tendered by foreign governments to employees of the Department of Commerce.

Supplemental policies and procedures include:

Travel gifts from foreign governments and from international organizations, like the United Nations or its agencies, including the World Meteorological Organization, shall be reported on both CD-210 and SF-326. A travel gift shall not be reported on CD-342, *Record of Gifts and Decorations From Foreign Governments*.

Previously, employees were required to report travel gifts from foreign governments and international governmental organizations on CD-342 for a travel gift that was taking place entirely overseas. However, new guidance from the Department of State advises that the Foreign Gifts and Decorations Act, and consequently, the form CD-342, shall not be used for official travel. Therefore, do not use the CD-342 for a gift to NOAA, regardless of the source.

4.04.11 ACCOUNTING RECORDS AND REPORTS:

DAO 203-9, section 10, and DOC Accounting Principles and Standards Handbook, Chapter 16, sections 8.0 through 10.0 specify the Departmental policy and procedures for accounting for gifts and bequests.

Supplemental policies and procedures include:

- a. All gifts received by NOAA shall be recorded and maintained in a log and each gift shall be given a control (reference) number. The log shall be capable of cross-referencing the promise of a gift, the receipt of that gift and, if the gift is made/offered for a specific purpose, the payment of expenses associated with the gift.
- b. Information shall be collected on all gift and bequest donations (e.g., monetary receipts, other assets, or services), expenses, and property dispositions, and forwarded to the NOAA Finance Office, Accounting Operations Division, at least monthly.
- c. Information on gifts (e.g., listings of control numbers and dollar amounts) shall be

forwarded to the NOAA Finance Office, Accounting Operations Division, to support period activity and cutoff entries. This shall be done at least monthly. The following information is required:

1. Promises of gifts for services yet to be performed, as of the last day of the period;
 2. Donations (e.g., funds, other assets, and in-kind services) received during the period and whether they will involve offsetting expenditures;
 3. Donations received for which offsetting expenditures have not been made, as of the last day of the period; and
 4. Expenses incurred, and charged to the NOAA Gifts and Bequests Fund, for which a gift reimbursement has not been received, as of the last day of the period.
- d. Information on the disposal of property also shall be forwarded to the NOAA Finance Office, Financial Reporting Division, to support financial reports.
- e. The Finance Office, Financial Reporting Division, shall prepare and submit:
1. SF-133, *Report on Budget Execution and Budgetary Resources*, on a quarterly basis to NIST and to the DOC Office of Executive Budgeting;
 2. Quarterly trial balance of the NOAA Gifts and Bequests Fund;
 3. Monthly report of Receipts and Expenditures showing the number, source, nature, purpose, and amount of gifts and bequests; the nature and purpose of expenditures to the DOC Office of Executive Budgeting; and,
 4. TFS-2108, *Year-End Closing Statement*, to the Department of the Treasury.
 5. SF-224, *Statement of Transactions*, on a monthly basis to the Department of the Treasury.
- f. The Finance Office, Accounting Operations Division, Travel and Government Branch shall compile and submit:
1. SF-326 in April and October to the Office of the Assistant General Counsel for Administration and to the Office of Financial Management, Office of Executive Budgeting for each payment from a non-federal source for travel, subsistence, and related expenses which totals more than \$250 per event. The Office of General Counsel files a semi-annual report with the Office of Government Ethics.
- g. The Real Property Management Division and Logistics Division Office of the Chief Administrative Offices shall, at year-end, review and submit:

1. An inventory of all donated property to the NOAA Finance Office, Financial Reporting Division.

4-05 EFFECT ON OTHER ISSUANCES.

This chapter supersedes NOAA Finance Handbook Chapter 4, dated December 12, 2006.