



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
2000 NAVY PENTAGON  
WASHINGTON, DC 20350-2000

OPNAVINST 4001.3  
NAVSUP NFS 51  
3 Apr 06

OPNAV INSTRUCTION 4001.3

From: Chief of Naval Operations

Subj: POLICY AND PROCEDURES FOR THE MANAGEMENT OF PRESENTATION SILVER

Ref: (a) Title 10, U.S. Code, Section 7221  
(b) SECNAVINST 4001.2G  
(c) OPNAVINST 4001.1D  
(d) Afloat Supply Procedures (NAVSUP P-485)  
(e) Food Services Management (NAVSUP P-486)  
(f) Title 10, U.S. Code, Section 7545  
(g) Title 10, U.S. Code, Section 7546

Encl: (1) Sample Loan Agreement

1. Purpose

a. To delegate responsibility to the Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM) for the management of presentation silver services.

b. To prescribe policy for their receipt, use, care, inventory and transfer or other disposition.

2. Background

a. A gift of presentation silver in conjunction with the commissioning of a naval vessel is a long-standing tradition in the U.S. Navy. The silver forges a symbolic and historical link between the military crew of the vessel it is aboard and the civilian community from whence it came. Because of its value, both intrinsic and symbolic, presentation silver must be accorded the highest level of care and be properly safeguarded against damage or loss.

b. Reference (a) authorizes the Secretary of the Navy to accept and care for gifts of presentation silver made to vessels of the Navy. The procedure for accepting such gifts is set forth in references (b) and (c) and detailed management and care procedures are set forth in references (d) and (e). References (f) and (g) authorize the Secretary of the Navy to return gifts of presentation silver.

3. Definition. The term "presentation silver" for the purpose of this instruction refers to gifts to U.S. Navy vessels and is made of silver (a single item or a group of items) such as punch bowl sets, tea sets, coffee sets, trays, candelabras and related

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hollowware or flatware. Presentation silver is typically engraved with the names of the vessel, donor, occasion of the presentation and emblems or symbols of the Navy or the donating organization. U.S. Navy vessels frequently receive other gifts and mementos to commemorate various events during the vessel's life and some of those items may also be made of silver or silver-plated metal. Those gifts and mementos which contain silver, but which do not meet the above definition for presentation silver, will be managed per provisions of reference (d). Gifts of presentation silver may be received from states, municipalities, organizations, individuals or foreign governments. These gifts become the property of the U.S. Navy upon acceptance.

#### 4. Policy

a. COMNAVSUPSYSCOM is delegated authority to act for the Secretary of the Navy in the loan of gifts of presentation silver services under references (f) and (g).

b. The Chief of Naval Operations (CNO) is delegated authority to act for the Secretary of the Navy with regard to returns of gifts of presentation silver services under references (f) and (g).

c. The Assistant for Administration, Office of The Under Secretary of the Navy (AAUSN) is the principal policy advisor to UNSECNAV on issues concerning presentation silver returns.

d. COMNAVSUPSYSCOM is delegated responsibility for developing detailed inventory, reporting and record keeping requirements for presentation silver and for the preparation and coordination of loan agreements.

e. Gifts of presentation silver will be maintained intact as originally presented and safeguarded against damage or loss. Activities having custody of presentation silver, whether for use, display or storage, are responsible for the repair or replacement of items damaged or lost while in their custody.

f. Active vessels of the U.S. Navy will be given preference in the assignment of presentation silver. All requests for assignment of presentation silver will be in writing from the commanding officer to COMNAVSUPSYSCOM.

g. Presentation silver will be removed from vessels prior to decommissioning and placed in secure storage pending reassignment by COMNAVSUPSYSCOM.

h. The use of presentation silver by shore activities is discouraged and all requests for its use or display at shore

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activities must be specifically approved by CNO. Requests for presentation silver by shore activities will be approved only when there are no outstanding requests or programmed outfitting requirements for vessels of the active Fleet.

i. Presentation silver will not be released from Navy custody without a formal loan agreement between the recipient and the U.S. Navy, except when given to the donor under reference (f). Loaning presentation silver is generally discouraged, particularly if the service is aboard an active naval vessel. The following policy will govern loans:

(1) Presentation silver may be loaned only to donors (including their heirs) or to those organizations and institutions described in references (f) and (g). The loan request must be in writing and signed by the donor or head of the requesting institution, (i.e., governor, mayor, etc.) and may be for all or a portion of the service. The request must also designate the person authorized to sign the loan agreement if other than the requester.

(2) The request shall be forwarded to COMNAVSUPSYSCOM for coordination and preparation of a formal loan agreement before any commitment is made. Enclosure (1) provides a sample loan agreement and guidance on the negotiation of its terms and conditions.

(3) All loan agreements will include appropriate insurance, inventory and reporting requirements and will be at no expense to the government.

(4) COMNAVSUPSYSCOM may renew a previously approved loan agreement when there is no outstanding requirement by an active naval vessel for the items on loan. Copies of renewed loan agreements will be forwarded to AAUSN for information.

j. Donors who request a loan of presentation silver will be informed that the U.S. Navy is the legal owner of the silver and wishes to retain it in the Fleet except in the following cases:

(1) Certain presentation silver sets (e.g., those donated to battleships by states) have a history of being returned to donors during those periods when no ship bearing that name is in active Fleet service.

(2) The condition or design of some silver pieces may render them unsuitable for continued use aboard modern warships. In such instances, consideration will be given to returning those items to the donor, or authorized institution, on loan for an indefinite period (subject to recall) or on a permanent basis. In all other instances, returns to donors will be made only on

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short-term loans for a specific public ceremony or similar purpose.

k. At appropriate times and if determined to be compatible with good public relations, an endeavor will be made to obtain presentation silver for use in the active Fleet which has been previously loaned to donors or other institutions.

## 5. Action

### a. COMNAVSUPSYSCOM will:

(1) Establish inventory management policies and procedures, including appropriate reporting requirements;

(2) Issue guidance for care, storage and turn-in;

(3) Approve Reports of Survey (DD Form 200) submitted by custodian activities for lost or damaged items, including prescribing replacement or repair action;

(4) Redistribute presentation silver among vessels;

(5) Respond to inquiries as to location, use and condition of presentation silver per the Freedom of Information Act;

(6) Obtain presentation silver previously loaned to donors when appropriate;

(7) Prepare all loan agreements;

(8) Notify the Office of Counsel, NAVSUPSYSCOM of any violation of a loan agreement;

(9) Recommend action to CNO in response to a donor's request for return;

(10) Approve loan requests for the use of presentation silver by donors or institutions described in references (f) and (g).

b. The Office of Counsel, NAVSUPSYSCOM, will review all loan agreements (and transfer agreements) involving presentation silver to ensure compliance with existing policy and procedures.

c. Commanding officers of naval vessels will make presentation silver reports to COMNAVSUPSYSCOM per guidelines contained in reference (d).

d. Commanding officers of naval shore activities and storage sites will make an annual report to COMNAVSUPSYSCOM on presentation silver in their custody.

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7. Report. Report Control Symbol NAVSUP 4001-1 is assigned to the inventory report required by paragraph 6c and 6d and is approved for 3 years from date of this instruction.

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A. S. THOMPSON

Rear Admiral, Supply Corps, U. S. Navy  
Director, Supply, Ordnance, Logistics  
Operations Division (OPNAV N41)

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VI. Record of Maintenance

The borrower will prepare and maintain detailed records of any and all maintenance, preservation and restoration work accomplished. An annual report on the condition of loaned property shall be submitted not later than January 31 of each year to Commander, Naval Supply Systems Command (ATTN: NFS 51A), 5450 Carlisle Pike, P.O. Box 2050, Mechanicsburg, PA 17055-0791.

VII. Location of Loaned Property

The borrower shall not use the loaned property at locations other than the (*enter here the name and address of where the silver will be located*) without prior approval of the Naval Supply Systems Command.

VIII. Return of Loaned Property

The borrower shall return the loaned property to the U.S. Navy in at least the same condition as when accepted and shall be liable for any loss of or damage to the property while in its possession or that of its agents. The borrower shall return the property to the U.S. Navy promptly upon any termination of the loan period as set forth in Section IV. Prior to such return by the borrower, effective notice shall be given to the Naval Supply Systems Command. Upon receipt of effective notice, the Naval Supply Systems Command shall promptly provide disposition instructions to the borrower. The borrower shall remain responsible for the property following termination of the agreement until the property is received back by the Naval Supply Systems Command.

IX. Indemnification

The borrower shall indemnify and hold harmless the U.S. Navy, its officers, agents and employees for any and all claims for loss or damage to property or bodily injury to, or death of, persons arising out of, or in connection with, the borrower's possession and use of the loaned property, including preparation for and actual shipment.

X. Insurance

The borrower shall procure and maintain insurance coverage at all times as follows:

A. All-Risk Silverware Floater Insurance in the minimum amount of (*enter the silver's appraisal amount*);

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B. Transit insurance in the amount of (*enter the silver's appraisal amount*) to cover the silverware during any periods of transportation; and

C. Bodily injury, liability insurance with a minimum limit of \$100,000.00 per occurrence to cover such injuries as might occur in connection with the movement or use of the silverware.

Such insurance shall be in the name of the borrower or the Department of the Navy, or both, depending on the insurable interests involved. A copy of each such insurance policy, certificate or binder shall be submitted to the Naval Supply Systems Command within 5 working days after the borrower acknowledges acceptance of the loan agreement by proper execution and before any shipment to the borrower or preparation for such shipment is made.

In the event the borrower is an agency authorized to act as a self-insurer and is so covered it may, in lieu of procuring insurance for bodily injury liability, elect to be a self-insurer for bodily injury to or the death of persons arising out of or in connection with the borrower's use or temporary custody of the loaned property, including preparation for and actual shipment. In this regard the borrower shall submit for approval by the Naval Supply Systems Command a properly executed, fully effective certificate from the appropriate authority so attesting.

XI. Inspection

The borrower agrees to allow the Naval Supply Systems Command reasonable, prompt access to the borrower's facility upon notice given for the purpose of inspecting the loaned property and records pertinent thereto.

XII. Title to Loaned Property

Full ownership of and title to the loaned property shall remain with the U.S. Navy.

UNITED STATES OF AMERICA  
UNITED STATES NAVY

\_\_\_\_\_  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Commander, Naval Supply  
Systems Command

Date: \_\_\_\_\_

Date: \_\_\_\_\_



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USS  
Presentation Silver Service

<u>Item</u>	<u>Description</u>	<u>Qty</u>
1.		

Total Number of Pieces