



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

DEC 14 2006

MEMORANDUM FOR DISTRIBUTION

Subj: CLARIFYING GUIDANCE REGARDING THE PRESENTATION
OF RECOGNITION ITEMS FOR MILITARY RECRUITMENT AND
RETENTION PURPOSES

Ref: (a) OASN(FM&C) memo of 9 Nov 06
(b) B-307892, Navy--Reenlistment Gifts, October 11, 2006

This memorandum provides clarifying guidance associated with reference (a). Reference (a) provides Department of Navy (DON) fiscal policy for the use of appropriated funds to purchase recognition items only for military recruitment or retention purposes. Section 2261 of Title 10, specifically pertains to the use of appropriated funds to finance the purchase of small gifts in order to recognize or commemorate decisions of individuals to enlist or reenlist in the armed forces. The recent Government Accountability Office decision, in reference (b), states that 10 USC 2261 expressly aims to recognize enlistment and reenlistment by bestowing honor on those who do so by bringing public recognition to the military member. Potential recipients include members of the armed forces who enlist or reenlist; or their immediate family members or other individuals if it can be substantiated that the individual played a direct role in the military member's decision. Section 2261 does not impact standing recruiting and retention statutory or regulatory authority under the purview of the Assistant Secretary of the Navy (Manpower and Reserve Affairs).

Section 2261 enables commands to use appropriated funds to purchase recognition items of nominal or modest value (less than \$50 per item). Such items shall be awarded solely to recognize the recruitment and retention of military members of the armed forces and is intended to express appreciation for their service. Items should be of sustainable form (i.e., non-perishable). Eligibility includes the enlistment/reenlistment of an individual to serve as a military member of the armed forces. There is no authority to expand the definition of the provision.

While the provision authorizes the use of appropriated funds for the defined purposes, prudent fiscal practices should be exercised based on the command's fiscal resources. Furthermore, commands will establish procedures to ensure the need is validated, affordable, documented, and within the DON guidelines. Questions from Budget Submitting Offices should be addressed to Ms. Debra Ogledzinski, FMB-52, on (703) 692-4806 or Ms. Betty Talbert, FMB-51, on (703) 692-4809. Questions from all other subordinate commands should be addressed through the chain of command. Recruiting and retention questions beyond the statutory authority cited in this memorandum should be addressed to ASN(M&RA).

A handwritten signature in cursive script, reading "Gaye L. Evans", is positioned above the typed name.

Gaye L. Evans
Director
Budget Policy and Procedures Division
Office of Budget

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