



DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY BASIC COMBAT TRAINING CENTER OF EXCELLENCE
FORT JACKSON, SC 29207

REPLY TO
ATTENTION OF

ATZJ-CG

31 JUL 2008

MEMORANDUM FOR SBE DISTRIBUTION

SUBJECT: Policy Memorandum 4-14, Family Readiness Group (FRG) Informal Funds

1. References:

- a. DOD 5500.7-R, Joint Ethics Regulation, 1 August 1993, w/changes.
- b. AR 600-20, Army Command Policy, 18 March 2008.
- c. AR 608-1, Army Community Service Center, 19 September 2007.
- d. AR 600-29, Fund-raising Within the Department of the Army, 1 June 2001.
- e. Army Directive 2008-01, Increase in Family Readiness Group Informal Fund Cap, 7 March 2008.
- f. TRADOC Reg 350-6, Enlisted Initial Entry Training Policies and Administration, 1 July 2009.

2. There are special ethical challenges surrounding fundraising in an Army Training Center environment. In a non-training unit, our Soldiers have virtually unlimited access to all manner of commercial goods and services. In Initial Entry Training and specifically Basic Combat Training, we intentionally deny our Soldiers those goods and services to focus them on the tough training task at hand, to develop hardened minds and bodies, and to make a clean break from the often expected luxuries found everywhere in civilian life. When we conduct fundraising in this environment, we must keep in mind that we are doing so in a totally controlled business environment -- a monopoly -- and we must never lose sight of that singular difference in our fundraising climate from elsewhere in the Army.

3. We must recognize that we bear the responsibility for taking an absolutely objective ethical look at our practices and ensure that they serve to benefit the Soldier in training; as well as the cadre and permanent party Family members. We must hold ourselves to the highest standards of doing what is right -- because we hold such a high degree of ultimate Soldier control.

4. This FRG fundraising policy with its enclosure is written with these facts in mind. It is intended to set out a map of practical guidance for FRGs that maintains informal funds. It is intended to not only spell out prohibited practices, but to explain how to ethically and legally conduct operations. Some of our previous practices were not acceptable. I expect each unit

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commander to personally supervise the proper execution of this program, because -- as in all other areas -- commanders are accountable through the chain of command for execution to the Army standard. Use common sense, and where doubts exist, speak with your Brigade Trial Counsel. Let's continue to support worthy and ethical fundraising that benefits not only our cadre, but also our Soldiers in training and their Families.

5. Establishment of an informal fund. All fundraising on Army installations is strictly controlled. Fundraising solicitations conducted by organizations composed of civilian employees or members of the Uniformed Services (which would include FRGs) among their own members for organizational support or for the benefit of specific member welfare funds are permitted. In order to raise money, these organizations must first establish an informal fund. Operation of the fund will be consistent with Army values, AR 608-1, Army Community Service Center, App. J, DOD 5500.7-R, The Joint Ethics Regulation, AR 600-29, fund-raising within the Department of the Army, and other pertinent regulations. One FRG informal fund per unit may be established at battalion level or higher. All key FRG leaders, such as the FRG leader, treasurer, key caller, and welcome committee chair (see AR 608-1, paragraph J-4a(1)), will be properly documented and complete Army Community Service (ACS) FRG Leaders Training. ACS will maintain a roster of all FRGs operating on the installation. Establishment and maintenance of the informal fund includes:

a. The fund custodian. The unit commander (battalion level or higher) will designate a fund custodian and alternate by memorandum. It is recommended that the commander appoint an active duty Soldier to one of these positions and an FRG spouse to the other position. Note that the custodian/alternate may not be a commander, deployable Soldier, or the FRG leader. The custodian is responsible for informal fund custody, accounting, and documentation. The custodian may open a non-interest bearing bank account in the fund's name with the commander's authorization. He or she is personally liable for any loss or misuse of funds. He or she will report monthly or as requested to the commander, and will provide an annual report to the first O-6 commander or designee in the unit's chain of command no later than 30 January of each year, with copies furnished to the Director Army Community Service, and Chief Administrative Law, Office of the Staff Judge Advocate.

b. The fund SOP. The FRG leader will prepare the fund SOP. The SOP establishes the fund's purpose. It should describe the members' intent for why funds will be raised and to what purpose those funds will be put. It must be approved by the unit (battalion or higher) commander and a majority of the FRG members, and must include:

(1) The fund's name;

(2) A description of the purposes and functions of the fund and a summary of its routine activities; and

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(3) This statement: "This FRG informal fund is for the benefit of the FRG members only and is established exclusively for charitable purposes and to provide support for Soldiers and Family members as the Soldiers and Families adapt to Army life. It is not a business and is not being run to generate profits. It is not an instrumentality of the United States Government."

c. Fund cap. FRGs are not established as vehicles to raise funds, solicit donations, manage large sums of money, or to operate as businesses. The AR 608-1, Appendix J, cap on FRG informal funds is currently \$10,000.00 gross receipts per calendar year. This means that all sources are counted towards the \$10,000.00 cap, including funds raised, funds carried over, and gifts to the fund. Unit commanders may establish a lower fund cap.

d. Gifts to FRG informal funds. IAW AR 608-1, Appendix J, Unit commanders may accept unsolicited gifts of a value of \$1,000.00 or less after referral to the Installation Gift Coordinator (Financial Management Division, FMWR) and legal review by the unit ethics counselor (Office of the Staff Judge Advocate, Administrative Law Division). Gifts of greater than \$1,000.00 value may not be accepted by individual FRG informal funds, and should be referred to the Installation Gift Coordinator. A determination will be made whether the gift may be accepted into a supplemental mission fund for distribution to eligible FRGs.

6. Specific fundraising guidance for IET units and fundraising occurring in IET units or by IET unit personnel. TRADOC Regulation 350-6, paragraph 2-4j contains specific guidance regarding fundraising in the IET environment:

a. No cadre member may sell any product, service, or opportunity to IET Soldiers or their Families. Consistent with Army regulations and local garrison commander rules and policies on fund-raising, IET unit FRG informal funds may raise funds at IET graduations, including a "family activity day" that may occur the day before graduation.

b. No IET Soldiers will be directed to participate in or make purchases at any authorized fund-raising activities conducted in the brigade, battalion, company, or training area.

c. No fund-raising activities that directly involve IET Soldiers, as primary or sole customers, may be conducted during the training cycle by IET units, informal funds, FRGs, or private organizations associated with IET units. FRG activities such as bake sales at the commissary, PX area, or other public locations would not violate this provision because the activities are aimed at a wide range of patrons and not solely IET Soldiers.

d. IET Soldiers cannot be the sole or primary customers of special morale, welfare, and recreation (MWR) events (for example, summer concert series). This does not prohibit the patronage of traditional installation recreation services such as the bowling alley, outdoor recreation, and the movie theater.

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e. This means that if all other requirements are met, FRGs may hold fundraisers at graduation events, and sales may be made to Soldiers as well as to visiting Family members. However, no cadre Soldier may make an actual sale to IET Soldiers or their Family members (although cadre may support the FRG fundraiser in other ways). FRG Family members or other supporters must make the sales. Unit FRGs are limited to one fundraising activity over the graduation events, outside the training cycle. FRG fundraisers in the unit area (other than at graduation) may not sell to IET Soldiers, regardless of whether the actual sales are made by cadre or Family members.

7. Fundraising events. After an informal fund is properly established and in place, the FRG fund may request approval for fundraising events. Fundraising events in the unit area may be approved by the respective brigade-level commander. Fundraising event requests must be in writing and be coordinated with the unit trial counsel. A request form for fundraising events is enclosed (enclosure 1). Fundraising requests outside of the unit must be in writing, coordinated with the unit trial counsel, approved by the brigade-level commander, and have the permission of the activity controlling the site of the fundraising (e.g., AAFES if event is at the Exchange). Fundraising requests outside the unit area, or otherwise primarily soliciting persons not included in the FRG, must also contain a statement explaining why the fundraising will benefit the population from whom funds are being raised. Example: if a fundraising event will be held at the Exchange, the request should explain why the fundraising will be of benefit to the Fort Jackson community as a whole. Note that FRG activities such as bake sales at the commissary, PX area, or other public locations, would generally not violate TRADOC Regulation 350-6, because the activities are aimed at a wide range of patrons, and not solely at IET Soldiers. Certain fundraising practices sometimes common in the community may not be used by FRGs (or other informal funds on Fort Jackson). These include soliciting off the installation (not authorized in AR 608-1), or from persons or organizations doing business on the installation, such as vendors, suppliers, and service contractors. Raffles and other gambling devices may not be used for fundraising on Fort Jackson.

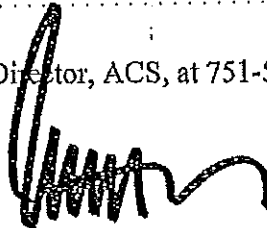
8. Use of funds. Mission-related activities of the FRG are primarily funded with appropriated funds. Money raised by an FRG informal fund is an auxiliary source of funding for worthwhile activities that cannot be funded with appropriated funds. Funds must be used for the benefit of the entire group. This means that the FRG may not use FRG raised funds for the benefit of individuals within the unit or small groups within the unit, nor may it use FRG raised funds primarily for the benefit of individuals or causes outside the group. FRGs may not use their funds to make loans or monetary gifts to individual unit members, nor make donations from FRG funds to other causes, such as charities. FRG activities may, however, incidentally benefit other members of the community, such as FRG events where other members of the community are invited to participate. See enclosure 2 for additional examples of acceptable and unacceptable uses of FRG generated funds.

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9. SUPERSESSION: This policy memorandum supersedes USATC&FJ Policy Memorandum 4-4, dtd 16 Feb 05.

10. PROPONENT: Ms. Carla G. Atkinson, Director, ACS, at 751-5256.



Encls

BRADLEY W. MAY
Brigadier General, U. S. Army
Commanding

DISTRIBUTION:
C&S

XXXX-XX

DATE

MEMORANDUM THRU

(Intermediate cdr(s)/any other addressees)

(Bde trial counsel)

FOR (Bde Cdr)

SUBJECT: Fundraising Request, (name Unit FRG Informal fund)

1. PURPOSE. To obtain approval for the (name FRG) informal fund fundraiser.
2. RECOMMENDATION. That you approve the fundraiser scheduled for (date of fundraiser).
3. DISCUSSION:

a. The (name unit) Informal fund is planning a (describe nature of fundraiser) on (date of fundraiser), to take place at (location of fundraiser). The purpose of the fundraiser is to (describe purpose of fundraiser). Expected proceeds of this fundraiser will not cause the Informal fund to exceed the maximum permissible gross receipts for this calendar year.

b. This fundraiser will/will not be generally limited to members of the FRG. (If not, describe how the fundraising will benefit the group being solicited. If it is in a public location such as the Commissary, Exchange, Solomon Center, etc., state how it benefits the community. Also indicate coordination with the site of the fundraiser.)

c. This fundraiser does/does not require additional coordination. (If the fundraiser requires additional coordination, for example, goods being sold which may compete with AAFES, or food items which must be inspected, describe coordination here.)

(signature block)

Encl 1

INFORMATION PAPER

ATZJ-AL
26 January 2010

SUBJECT: Family Readiness Group Fundraising on Fort Jackson

1. Purpose. To provide information on Family Readiness Group (FRG) Fundraising areas of question.

2. References.

a. AR 608-1, Army Community Service Center, 10 Sep 07.

b. Fort Jackson Policy Memorandum 4-14, Family Readiness Group Informal Funds

c. AR 600-29, Fundraising Within the Department of the Army, 1 Jun 01.

d. TRADOC Reg 350-6, Enlisted Initial Entry Training Policies and Administration, 1 Jul 09.

e. DOD 5500.7-R, Joint Ethics Regulation, 1 Aug93, w/changes.

3. Authorized locations for FRG fundraising.

AR 608-1 authorizes FRGs to fundraise at appropriate locations throughout the installation, subject to the limitations of not targeting IET students. This includes such things as car washes and Christmas gift wrapping at the PX.

4. Is FRG Fundraising authorized during Combined Federal Campaign (CFC).

While the CFC regulation prohibits other fundraising during the campaign period it is intended to cover fundraising that conflicts/competes with the CFC donors, for example Red Cross/USO fundraising. FRGs may conduct normal fundraising activities during the CFC period, such as fundraising during graduation events.

5. Can unit FRGs other than BCTs FRGs conduct fundraising during Graduation events.

All FRGs may conduct authorized fundraising throughout the installation including at graduation events.

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6. Who are authorized targets of fundraising?

a. FRGs may officially fundraise from its own members or dependents and from all persons benefiting from the Army organization. (For example, an installation may benefit from the brigade or unit FRG, thus permitting a brigade or unit FRG to fundraise throughout the installation.) Fundraising must be for the organization's informal fund, as opposed to a private charity, a particular military member, or a similar cause, and be approved by the commander over the organization and coordinated with the commander with control over the location of fundraising if different from the organization area. Commanders will consult with the Office of the Staff Judge Advocate and avoid all conflicts with other authorized fundraising activities.

b. FRGs may not solicit or fundraise off the installation.

c. FRGs may accept unsolicited donations up to \$1,000 when approved by the Commander. Offers of donations of over \$1,000 should be referred to the Installation Gift Coordinator.

7. Do FRGs qualify for sales tax exemption under South Carolina Law?

a. Maybe. While FRG's generally meet the definition of a Nonprofit Organization under South Carolina law they are not one of the specified organizations in the statute.

b. "To qualify for this exemption, organizations are required to complete and file Form ST-387, *Application for Sales Tax Exemption for Exempt Organizations*. Your organization is not exempt from the tax unless your application has been submitted to and approved by the Department of Revenue and you have received the exemption certificate. The application form is available on the Department of Revenue's home page on the Internet at <http://www.sctax.org>. Form ST-387 also is available from any Department of Revenue office or by calling 1-800-768-3676. If you call from a fax machine, the form can be immediately faxed. South Carolina Department of Revenue Publication # 4, *A General Guide to the South Carolina Sales Tax Exemption for Nonprofit Organizations* provides further detailed information."

c. Additionally, if qualified the FRG will receive an exemption certificate that will confirm their sales tax exempt status.

d. Tax exempt status will allow the FRG the benefit of not paying South Carolina sales tax on items intended for resale. Any item purchased to give to any person is subject to sales tax. The FRG must pay sales tax on items which are not to be resold. For example food for an FRG picnic or catering for any non-fundraising event.

e. Items purchased with the Government Purchase Card are exempt for sales tax based on the fact it is a purchased by the US Government and states cannot tax the purchase.

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8. Fundraising questions should be addressed to the Office of the Staff Judge Advocate at 751-7657. Approved by LTC Everett Yates, Deputy Staff Judge Advocate.