



DEPARTMENT OF THE ARMY  
U.S. ARMY AVIATION CENTER OF EXCELLENCE  
OFFICE OF THE STAFF JUDGE ADVOCATE  
BUILDING 5700, NOVOSEL STREET  
FORT RUCKER, AL 36362-5105

ATZQ-SJA-AL

26 October 2015

## INFORMATION PAPER

SUBJECT: Informal Funds and Local Fundraising

### References:

- a. DOD 5500.7-R, Joint Ethics Regulation (JER), 30 August 1993.
- b. AR 210-7, Commercial Solicitation on Army Installations, 18 October 2007.
- c. AR 600-20 Army Command Policy, 6 November 2014.
- d. AR 600-29 Fund-Raising Within the Department of the Army, 7 June 2010.
- e. Fort Rucker Regulation 210-1, Private Organizations (POs) Operating on Fort Rucker, 14 November 2012.

### Background:

a. U.S. Army units of all sizes often seek fundraising opportunities to offset the costs of official and semi-official activities such as dining-ins, organizational days, farewell gifts, (or simpler things such as Coffee Funds or Unit Cup and Flower Funds). The above references detail specific rules that limit a Commander's approval of fundraising activities.

b. This information paper is intended to provide general guidance as to what is and is not permissible regarding informal unit funds only. [For information on Family Readiness Group (FRG) budgets and informal funds, please refer to AR 608-1, Appendix J, and a separate Information Paper published by this office.] This Information Paper is not intended to replace the relevant regulations or substitute for a legal review of any specific proposal.

c. Units seeking to engage in a fundraising activity should draft a written proposal, and submit it to through Directorate of Family, Morale, Welfare, and Recreation (DFMWR). The written proposal should address the items listed at Appendix A of this Information Paper. Once DFMWR ensures the proposal is complete, DFMWR will submit the request for legal review, and Garrison Commander approval.

d. This paper specifically addresses local, informal fundraising for unit activities. All solicitations for charitable organizations are required to be registered, solicited, and collected through the Combined Federal Campaign (CFC) ONLY!

ATZQ-SJA-AL

SUBJECT: Informal Funds and Local Fundraising

**Bottom Line:** The above references permit local fundraising so long as the fundraising:

- Does not conflict or compete with the CFC;
- Is limited in size, scope, and frequency;
- Is truly voluntary;
- Does not involve solicitations from Commanders or supervisors;
- Does not include inducements or special favors from command authorities;
- Does not track contributors or make information on contributors or non-contributors known to command;
- Does not solicit donations from Government contractors;
- Strictly limits the use government resources and personnel;
- Does not adversely affect the performance of official duties; and,
- Creates no significant additional cost to the U.S. Army.

**Questions and Answers your unit should consider for any proposed fund-raising:**

**1. Does the fundraising activity conflict with the CFC? Is the fundraising scheduled to occur during the CFC? [AR 600-29, Chapter 1]**

Local fundraising should be strictly curtailed during the CFC timeline; the CFC usually occurs between September and December each year. Units should avoid scheduling fundraising activities during this timeframe.

**2. Is the fundraising target audience composed primarily of U.S. Army personnel and their families? [AR 600-29, para 1-7]**

Local fundraising cannot focus on obtaining donations from the public at-large, from Government contractors, or from private businesses. Fundraising must be “from our own” or “for us; by us”; meaning limited to asking for contributions from U.S. Army personnel and their families.

**3. Is the purpose of the fundraising to benefit an informal welfare fund “for our own” members? For informal funds, are the funds collected strictly used for expenses consistent with the purpose and function of the fund? [AR 600-8, Appendix J-7, AR 600-29, para. 1-7; AR 600-29 para. 4-20]**

Local fundraising cannot be for another charitable purpose, which would also conflict with the CFC. The purpose of the funds collected must be very specific; for example, to offset the overall cost and thus the individual cost of a dining-in; to offset the cost of producing a unit t-shirt; to purchase greeting cards, flowers, etc., for unit members significant life events (marriage, birth of child, retirement); pay for coffee and supplies for an office coffee service. All the funds raised must be limited to these types of

ATZQ-SJA-AL

SUBJECT: Informal Funds and Local Fundraising

expenses. It is NOT permissible to transfer funds for one purpose to another fund. Informal funds should have a Standard Operating Procedure or By-laws outlining the purpose of the fund, membership, and how the funds will be spent. FRGs are required to have an informal fund SOP per AR 600-8, Appendix J-7.

**4. Does the fundraising activity provide a truly free choice and the appearance of a free choice to contribute or not to contribute? Is the collection organized so as to ensure that contributions are confidential? Does the fundraising activity include any aspect that appears compulsory, coercive, or otherwise contrary to truly voluntary giving? [AR 600-29 para. 1-10; AR 600-20, para. 4--20]**

No lists of contributors or non-contributors may be generated. No Commander, First Sergeant, or anyone may seek a report as to who has and has not contributed. No sales-pitch or otherwise coercive activity by any person may be used to encourage contribution. No superior or supervisor may inquire as to whether his or her subordinates have contributed. In practice, only one individual should be responsible for fund custody, accounting, and documentation, which may be subject to command review to ensure solvency.

**5. Does the fundraising activity involve selling a product? (AR 210-7)**

AR 210-7 considers selling a product as commercial solicitation. Commercial solicitation activities require the Garrison Commander's approval per AR 210-7. Unit and FRG informal funds are not permitted to engage in commercial solicitation. Fort Rucker Regulation 210-1 only permits informal fund fundraising in the form of donations.

**6. Does the fundraising activity involve gambling?**

Gambling is not permitted as a fundraising means for informal funds. Selling tickets for a chance to win an item of value constitutes gambling. While door prizes or opportunity draws may be permitted at fundraising events, tickets for the drawing must be made available to anyone wishing to participate, and participants cannot be required to make a purchase to receive a ticket.

**7. How are "door prizes" obtained?**

Unit Commanders may accept donated items for use as door prizes; however, the donation cannot be solicited in an official capacity, and may require a legal review before it may be accepted.

**8. Are any special favors, privileges, or entitlements (pass, leave, wearing civilian clothing) from the command being offered as inducements to contribute? [AR 600-29, para. 1-10].**

ATZQ-SJA-AL

SUBJECT: Informal Funds and Local Fundraising

The JER and U.S. Army regulations strictly prohibit offering any type of reward for participation or contribution for any fundraising activity.

**9. Are Federal resources, materials, supplies, property, or personnel being used to engage in the fundraising activity? How significant is the impact of the fundraising activity on the performance of official duties? [JER paragraphs 3-305, 3-210, 3-211, and 3-301]**

If significant amounts of personnel, time, space, supplies, resources, or other assets are expended in support of an informal fund fundraiser, then the activity may violate the JER. If only a limited number of personnel will spend a minimal amount of time, consuming little to no amount of Government resources, then the activity is probably acceptable. A legal review can help determine the permissibility of a proposed use of Government time or resources.

**10. How often is the intended fundraising activity scheduled to occur? Daily? Weekly? One time only? [AR 600-29, DOD 5500.7-R]**

A one or two day bake sale or car wash falls within the traditionally acceptable realm of local fundraising activity; however, selling baked goods every Friday, or holding a car wash every weekend goes beyond a limited activity and enters into the realm of becoming an established competitive venture. The more often the unit seeks to conduct the activity, the less likely the activity comports with the references.

**11. Does the proposed fundraising activity appear to compete directly with civilian business activity on-post or off-post?**

Any sale or service offered will compete at some level with a business on-post or off-post. The question is whether the activity actually impacts a civilian business. For example, a one-day car wash at a Battalion Headquarters parking lot will typically have minimal impact; however, a regularly scheduled car wash, or, one set up in close proximity to a commercial on-post car wash is excessively competitive and may be viewed by the private business as a violation of their contract with the garrison.

**12. Does any aspect of the activity require coordination or approval from other sections or officials?**

If the fundraising activity requires food preparation, food handlers at the fundraiser may be required to receive training from Preventative Health. Likewise, if a unit informal fund wishes to conduct a fundraising activity at the Exchange, the unit must coordinate with the AAFES Manager.

**13. Does any aspect of the activity conflict with U.S. Army values or otherwise tend to appear to be an embarrassment to the U.S. Army?**

ATZQ-SJA-AL

SUBJECT: Informal Funds and Local Fundraising

This is a common-sense test based on the optics of the event. For example, a car wash is probably permissible, whereas a bikini car wash is not. Selling home-baked goods or donuts is fine, however, selling beer, tobacco, or pornography is not. A Haunted House after duty hours is permissible, however, a massage parlor is not.

**Conclusion:** Check any proposed fundraising activity against the questions above. Draft your proposed fundraising activity to include the items listed in Appendix A. Appendix B contains a sample Informal Fund By-laws and SOP that may be used as a template. Submit the written fundraising proposal to DFMWR for reviews and approval by the Garrison Commander.

ATZQ-SJA-AL

SUBJECT: Informal Funds and Local Fundraising

## APPENDIX A

1. At a minimum, fundraising proposals submitted through DFMWR for legal review will provide the following information:

a. The name of the fundraising activity (e.g., FRG Informal Fund, Unit Informal Fund, Unit Cup and Flower Fund, FRG Birthday Fund). Note that official military units are NOT informal funds, however, unit Commanders may authorize their FRGs to establish an informal fund. Likewise, Commanders may authorize units to establish informal funds to conduct unit social activities.

b. Include a copy of any Informal Fund By-laws, SOPs, or other establishing guidance. AR 608-1, Appendix J-7, paragraph e-2., requires an SOP for FRG Informal Funds.

c. A clear description of any giveaway items, including any door prizes. Identify if the giveaway items were purchased or donated to the informal fund.

d. The date, time, and location of the proposed fundraising activity.

e. A statement clearly stating that Soldiers will not be conducting fundraising while in uniform, and will not be in an official duty status while conducting fundraising.

f. A written statement from the unit commander indicating support for the proposed event.

g. Coordination with other sections or activities, as required by DFMWR.

2. Failure to provide any of these details may delay or prevent a favorable legal review, and may also prevent approval.

ATZQ-SJA-AL  
SUBJECT: Informal Funds and Local Fundraising

## APPENDIX B

### SAMPLE INFORMAL FUND SOP AND BYLAWS

OFFICE SYMBOL

DATE

MEMORANDUM FOR RECORD

SUBJECT (NAME OF UNIT OR FRG) Informal Fund Standing Operating Procedure (SOP) and Bylaws

1. References:

- a. DOD 5500.7-R, Joint Ethics Regulations, 30 August 1993.
- b. AR 600-20, Command Policy, 6 November 2014.
- c. AR 600-29, Fundraising within the Department of the Army, 7 June 2010.
- d. AR 608-1, Army Community Service, 13 March 2013.

2. Purpose: Provide procedures and bylaws for managing the (NAME OF UNIT OR FRG) Informal Fund (IF).

3. Summary: The IF is established exclusively for charitable purposes and to provide financial support for (NAME OF UNIT OR FRG) social activities. The (NAME OF UNIT OR FRG) IF is intended to benefit Soldiers and family members. It is not a business and is not being run to generate profits. It is not an instrumentality of the U.S. Government. The IF will utilize EIN # \_\_\_\_\_ to establish a bank account at the (Name of Financial Institution).

4. This SOP applies to the IF and the IF will be governed by the following provisions:

a. The IF will be comprised of donations from members, and raised through authorized fundraising activities for the (NAME OF UNIT OR FRG) IF.

b. The IF can be used as a depository for other donations, but it will comport with the provisions of AR 600-20, AR 600-29, and DOD 5500.7-R (Joint Ethics Regulation).

c. The IF will be managed by the Treasurer of the (NAME OF UNIT OR FRG) IF.

ATZQ-SJA-AL  
SUBJECT: Informal Funds and Local Fundraising

d. The Treasurer will be the named individual on the bank account (at the time of this memorandum) with access to the fund for FY 2016.

e. Post FY 16 and beyond, the IF bank account will be enduring, and will be managed by the succeeding Treasurer. The enclosed bank form will be utilized to transfer management authority of the IF bank account for succeeding years.

f. In the event the IF is disbanded, any remaining proceeds, after paying IF debts, will be donated to \_\_\_\_\_ [NOTE: proceeds may be donated to another informal fund or charity, such as the Army Emergency Relief (AER),

g. This SOP and Bylaws serves as the first minutes of the IF, and establishment of the IF (Name of Financial Institution) bank account. Subsequent minutes or memoranda with the signature of the below Treasurer and Unit Commander (or succeeding Treasurer and Unit Commander) are the only required signatures to change the document.

5. The signatures below are in agreement with the above SOP and Bylaws.

XXXXX XX XXXXX  
XXXX, XX  
Treasurer

YYYYYYYYY Y, YYYYYY  
YYY, YY  
Unit Commander

Encl  
as