



DEPARTMENT OF THE ARMY
HEADQUARTERS 25TH INFANTRY DIVISION AND US ARMY HAWAII
SCHOFIELD BARRACKS, HI 96857-6000

REPLY TO
ATTENTION OF

APVG-CG

5 November 2014

MEMORANDUM FOR DISTRIBUTION

SUBJECT: U.S. Army Hawaii Policy Letter 5 - Family Readiness Group (FRG) Fundraising Policy

1. References:

- a. Army Regulation (AR) 600-29 (Fundraising Within the Department of the Army), 07 Jun 10.
- b. AR 608-1 (Army Community Service), 13 Mar 13.
- c. DoD 5500.07-R (The Joint Ethics Regulation (JER)), 17 Sep 11.
- d. U.S. Army FRG Leader's Handbook, Fourth Edition, 2010.
- e. AR 1-100 (Gifts and Donations), 15 Nov 83.
- f. AR 600-20 (Army Command Policy), 22 Oct 14.

2. Purpose. To explain the proper procedures and limitations associated with fundraising by FRGs that operate on USARHAW installations.

3. Applicability. This policy applies to all FRGs associated with any unit that operates on a USARHAW installation.

4. Policy. There is no "right" to fundraise on an Army installation. All fundraising on post, aside from those events associated with the Combined Federal Campaign (CFC), must be approved by the Garrison Commander, and approval is completely within his/her discretion (authority to grant approval has been delegated to the Directorate of Family and Morale, Welfare, and Recreation (DFMWR)). Furthermore, all FRG fundraising must be approved by the FRG's respective unit commander before a request can be sent to the DFMWR for final approval.

a. Frequency. Only occasional fundraising in support of FRGs is authorized. Unit commanders and the Garrison Commander shall determine the appropriate frequency of these events. All fundraising must be limited in number and scope during CFC periods.

b. FRG Informal Funds.

(1) FRG fundraising must be for the benefit of an FRG’s “informal fund” as opposed to a private charity, particular military member, etc.

(2) An FRG, if given approval from its unit commander, may establish one informal fund in a non-interest bearing account (at a financial institution). The unit commander will authorize opening the account and prepare a letter naming the fund’s custodian and alternate (see paragraph 3) as persons authorized to sign checks drawn on the account. The commander will not be a signatory on the account. The monies in this account may not be comingled with personal funds, Morale, Welfare, and Recreation (MWR) funds, unit informal funds, or any other types of funds.

(3) The FRG’s unit commander will designate a fund custodian (treasurer) and an alternate. The custodian and alternate must not be the unit commander, a deployable Soldier, or the FRG leader. The custodian will be responsible for custody, accounting, and documentation of the informal fund. The FRG informal fund and alternate are personally liable for any loss or misuse of funds.

(4) Reports. The custodian will provide informal fund reports to the unit commander monthly and as requested. An annual report on the FRG informal fund activity will be provided to the first colonel (O-6) commander or designee in the unit’s chain of command no later than 30 January. These reports will summarize the informal fund’s financial status, to include current balance, total income, and an itemized list of expenditures along with an explanation showing how the expenditures are consistent with the purpose of the FRG informal fund as established in the informal fund’s standard operating procedure (SOP) (see paragraph 5).

(5) All FRG informal funds must have an approved SOP signed by the unit commander and approved by a majority of its members that documents the purpose of the particular fund, its functions, and a summary of its routine activities (AR 608-1, Appendix J-7). An FRG informal fund SOP must contain the following 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 to 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.” An informal fund may only be raised and maintained for purposes consistent with its SOP.

(6) All FRGs that maintain an informal fund will also maintain an “informal fund ledger” that will reflect the costs earmarked for each specific planned event.

(7) FRGs that operate on USARHAW installations have an informal fund *annual income cap* of \$5,000.00. In addition, the balance of the informal fund may not exceed \$5,000.00. This amount may be lowered by an FRG’s unit commander. An FRG should only have a balance in its informal fund account when those funds are earmarked for a specific event.

(8) Unsolicited gifts or donations of money or tangible personal property valued at \$1,000.00 or less may be accepted by a unit commander as gifts to an FRG informal fund. However, a legal review must be conducted before acceptance, and the value of the gift will go towards the FRG informal fund's annual fund cap.

c. Authorized Uses of FRG Informal Funds. Purposes related to "family readiness," such as: purely social activities/outings (births, birthday parties, member welcome/departing parties, holiday parties, etc...); volunteer recognition (not otherwise funded with appropriated funds); FRG newsletters that contain predominantly unofficial information; and purchasing refreshments for FRG meetings.

d. Unauthorized Uses of FRG Informal Funds. Augmenting unit informal funds; paying for items that are authorized to be paid for with appropriated funds; paying for traditional military gifts like farewell gifts; funding unit balls; and, on USARHAW installations, funding child care for unit personnel or FRG members.

e. Fundraising Procedures.

(1) FRGs may fundraise from within the "local Army community," which includes Servicemembers, DoD employees, and dependents on post. However, FRGs may not solicit any civilians who are not DoD employees or dependents.

(2) FRGs may not fundraise off post.

(3) If Soldiers participate in fundraising for an FRG they may not be in uniform. If they fundraise during the duty day, they must be in a pass or leave status.

5. The proponent for this policy is the USARHAW Office of the Staff Judge Advocate (OSJA), Administrative Law at (808) 655-6572.

2 Encls

1. Annex A to Policy Letter 5 (FAQs)
2. USARHAW Fundraising Guide



CHARLES A. FLYNN
Major General, USA
Senior Commander

DISTRIBUTION:

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**ANNEX A to United States Army Hawaii (USARHAW) FRG Fundraising Policy –
Frequently Asked Questions (FAQs)**

(Q1) Why is the informal fund annual income cap for FRGs that operate on USARHAW installations \$5,000.00 when AR 608-1 puts the limit at \$10,000.00?

Answer: It is within the discretion of a unit commander (and in a larger sense, an installation commander) to set the limit on the FRG informal fund annual income cap. As stated in AR 608-1, FRGs are not established to raise funds, solicit donations, or manage large sums of money. They are meant to bridge the gap between the command and family members, and to enhance the family readiness of the unit's Soldiers and families. Too much time spent on fundraising detracts from these mission essential goals.

(Q2) Can an FRG's informal fund be used to help fund a unit ball?

Answer: No, unit balls are not an FRG responsibility. The unit's formal and/or informal funds should be used for this purpose.

(Q3) What if my FRG fundraises more than our stated goal for a particular event? For example, what if we plan on raising and utilizing \$1,000.00 for a holiday party and we end up raising \$1,500.00?

Answer: In the above hypothetical, there are two options:

- 1) The FRG can spend the additional \$500.00 that it raised on the holiday party.
- 2) The FRG can spend the extra \$500.00 on its next planned event; however, it should then plan to raise \$500.00 less during its next fundraiser. For example, if the FRG earmarked \$1,000.00 for a holiday party and ended up raising \$1,500.00 for the party, the FRG could take that extra \$500.00 and use it towards its next planned event; such as a Spring party. However, if it does, it should plan on raising \$500.00 less when it fundraises for that next event. So if \$1,000.00 was earmarked for the Spring party, the FRG should only plan on raising \$500.00.

(Q4) If an FRG accumulates more than its goal for a specific event when fundraising, may that FRG donate those funds to another unit's FRG?

Answer: No, each unit's FRG informal fund is its own and should not be comingled with other units' FRG funds.

(Q5) Why can't an FRG use its informal fund to help pay for child care expenses incurred by FRG members?

Answer: Child care expenses for FRG volunteers, FRG members participating in "command sponsored training", and FRG members assigned to duty during contingency operations are authorized to be supplemented by FRG Appropriated Funds (APFs) if **available**. Currently, the 25th ID is not receiving any appropriated fund support for FRGs. Furthermore, even if a unit does receive appropriated funds, the use of said funds for child care support is completely within the discretion of the unit or installation commander when budgeting funds. There are situations where non-appropriated funds

(NAFs) may be used to reimburse child-care expenses for FRG members attending "command sponsored training" (per AR 608-1, para. J-3e(1) and 608-10, para. 3-4), however granting this type of support is also discretionary for the unit or installation commander.

(Q6) Hypothetical: An FRG wants to give going away presents to its deploying Soldiers, such as books, magazines, calling cards, etc...It also wants to send "care packages" to its Soldiers during the deployment. Can FRG informal funds be used for these gifts and care packages?

Answer: Yes, in this situation there are two (2) options. FRG informal funds may be used if the FRG membership agrees, and care packages and gifts are within the FRG's informal fund SOP. However, since this activity only benefits the unit members and not family members, unit informal funds could be used for this as well.

(Q7) May FRGs conduct external fundraising off post?

Answer: No, FRGs are limited to internal fundraising on post because they may only solicit members of the "local Army community." Fundraising off post implies solicitation of civilians who are not part of the local Army community.

(Q8) May an FRG member create a private organization (PO) to conduct external fundraisers?

Answer: Yes, pursuant to AR 608-1, appendix J, an FRG member may create a PO and conduct fundraisers off post to support shared goals and objectives of the FRG. However, to prevent potential conflicts of interest, if such POs are established, its leaders must consist of different persons than the FRGs leaders. If the leaders of the PO are also DoD employees (military or civilian), they may not use government resources or time to further the interests/activities of the PO. Furthermore, these POs cannot receive any preferential treatment and must be treated the same as all other similarly situated POs. Lastly, from a practical standpoint, any gifts of funds given by the PO to the FRG cannot exceed \$1,000.00 in order for them to be accepted by a unit commander, and those gifted funds will be counted towards the FRGs informal fund cap of \$5,000.00.