

FAQ: Funds and Fundraising

1. **The unit's ball will take place in a couple of months, and at the BN steering committee, the FRGs were asked to start fund raising to help discount tickets? Is that legal?**

No. FRGs are prohibited from using FRG funds for such purposes. Planning and contributing funds to support a unit ball is not an FRG responsibility. Unit balls are private social events (not official activities) funded by either the attendees or by a private organization. To this end, AR 608-1, Appendix J, paragraph J-7(a)(3), expressly prohibits FRG informal funds from being spent on unit balls.

2. **If the FRG Informal Fund account has reached the limit of \$10,000, are they unable to make any additional deposits from fundraisers currently scheduled?**

Yes, they are unable to make any additional deposits from fundraisers currently scheduled (unless those fundraisers inadvertently have already occurred). The FRG informal fund account may not exceed \$10,000 in income per year, nor shall it exceed a \$10,000 balance at any time. Thus, once an FRG Informal Fund account has reached its annual \$10,000, it must cancel all upcoming fundraisers for the remainder of the calendar year AND until it has spent down its funds to below a balance of \$10,000 (regardless of the calendar year in which the funds were acquired). AR 608-1, paragraph J-7e.

3. **Can the FRG's informal funds be used to buy food and drink for the FRG meetings?**

Yes, as long as some of the FRG's informal funds have been earmarked for such expenditure. AR 608-1, paragraph J-7a(2). The FRG Informal Fund Standard Operating Procedures (SOP) is the authority that limits the informal fund expenses to those consistent with the purpose and function of the fund. Thus, ensure that your SOP includes expenditures for refreshments at meeting.

4. **Our FRG is having a holiday party. We are using our informal funds. Can we also use Non Appropriated Funds (NAF)?**

No. You may not use MWR NAFs, since the FRG is not an MWR activity or NAFI. Moreover, you may not use Supplemental Mission NAFs; on JBLM, these funds are exclusively designated to assist commands with memorial services for fallen Soldiers. Thus, Supplemental Mission NAFs on JBLM are not available to FRGs.

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5. **An off-post business would like to donate toys for our FRG holiday party? May we accept them?**

Under the new Army Gift Program, AR 1-100, the FRG may not accept the toys. However, there are two potential alternate solutions.

First, the rule—the FRG informal fund cannot accept personal property (i.e., non-cash or non-perishable items), because the informal fund is simply a bank account. The FRG itself cannot accept any gifts, because it is an instrumentality of the Army, and under the new Army Gift Program (AR 1-100), a unit commander may not accept gifts to his/her unit.

The first alternate solution—if the off-post business donated the equivalent amount of money to the FRG informal fund, which then could be tapped to purchase the toys. The FRG informal fund can offer this alternate solution to the offeror (since they first made the offer), but cannot solicit funds otherwise from outside businesses. The maximum amount that the unit commander can accept from any outside entity for the FRG informal fund is \$1000.

The second alternative solution—if the off-post business does not donate the gifts to the FRG itself, but to the individual Families (without any FRG involvement). Individuals may accept unsolicited gifts of up to \$20 per occasion/\$50 per calendar year from any source. 5 C.F.R. § 2635.204(a).

6. **My FRG is unhappy with the prohibition against off-post fund raising and wants me to set up a private organization to do our FRG fundraising. As a commander, may I do this?**

You may not, as a commander, set up such a private organization.

Private organizations are non-Federal entities. They are not part of the federal government, but have received express permission from the Joint Base Commander to operate on the installation. Private organizations are subject to fewer restrictions regarding how they raise and spend funds than those imposed on the FRGs, including their ability to engage in off-post fundraising.

However, a commander cannot organize private organizations or direct their activities, including how private organizations spend their money. Private organizations may be established by individuals, including FRG members (if they so desire) to support shared goals and objectives. These private organizations, may not receive preferential treatment from the command and must be treated the same as other private organizations in accordance with the Joint Ethics Regulation and AR 210-22. For example,

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the command may not allow them use of government or FRG resources or government equipment for their private organization business.

Moreover, to prevent conflicts of interest, if such private organizations are established, paragraph 3-301 of the Joint Ethics Regulation requires that its leaders consist of different persons than the FRG's leadership.

7. Do we need to consult with AAFES for Right of First Refusal for all non-food item fundraisers?

Yes. Federal regulations grant AAFES a right of first refusal to supply all military units, private organizations and FRGs with any non-food items intended for resale on JBLM. Thus the FRG must retain, in advance, written right of first refusal before beginning any such fundraiser. See DODI 1330.21, paragraph 6.1.

8. What is the difference between a Raffle and a Drawing opportunity?

Raffles are prohibited by Washington law and federal regulation because they are a form of gambling. Drawings are permitted when executed as described here, because they are not a form of gambling.

Raffles- The Army defines gambling as betting something of value (usually money), in a game of chance, that offers a reward or prize. See AR 600-29, paragraph 3-3a. Traditional raffles meet this definition—they are games where tickets are sold for a set price, all tickets are entered into a pot, and a ticket is drawn randomly to win the prize. The Joint Ethics Regulation and Army regulation prohibits gambling on Government property. Moreover, Washington state law prohibits gambling. Section 9.46 of the Revised Code of Washington defines a "raffle" as a game where tickets bearing an individual number (or name) are sold, and where prizes are awarded on the basis of a drawing from the tickets.

Drawings- A drawing is different in that ticket have no mandatory price (i.e., they are not sold for a set value). Instead, individuals wishing to participate can be asked to voluntarily make a donation (for example, of \$2/ticket) in exchange for a ticket. However, if an individual simply wants a ticket and does not wish to make any donation, he/she cannot be refused a ticket. Donations are entirely voluntarily. Also, the prize for a drawing cannot be money. If a drawing is conducted as described here, it is not gambling and thus it is permitted. Remember- no money can be required and no money can be awarded.

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9. May alcoholic beverages be sold as a fundraiser?

Alcoholic beverages may not be sold as a fundraiser. Only certain entities, such as MWR food, beverage, and entertainment activities or on-post civilian restaurants, are authorized to sell alcohol on Army installations. AR 215-1, paragraphs 10-3 and 10-4. FRGs are not listed as authorized entities, and therefore they may not sell alcohol.

10. Can the FRG purchase military farewell gifts using our informal funds?

No. FRG informal funds must be used to benefit the FRG membership as a whole. AR 608-1, Appendix J-7(a)(3), explicitly prohibits using FRG informal funds to purchase Soldier farewell gifts.

11. If the unit is having an Organization Day, may the FRG Informal Fund be used to off-set the costs since Family Members will be in attendance?

No. FRG informal funds should not be used for unit events such as an Organization Day. The FRG informal fund should only be used for the benefit of FRG members, not the entire unit. On the other hand, FRG informal funds may be used to off-set the costs of a unit-wide FRG picnic.

12. To facilitate their unit's FRG, can commanders allow the use of government office space, equipment, paper, and government vehicles?

Yes. The FRG may use Government office space, computer and office equipment, faxes, emails, scanners, and so on to support the FRG mission. AR 608-1, paragraph J-4a(3). Likewise, the FRG may use Government paper and printing supplies to publish FRG newsletters to relay information from the command and to support any FRG mission activity. Moreover, the unit commander may authorize Government vehicle use in support of official FRG activities, to include transporting FRG members for FRG mission-related activities. Please note that fundraising and social activities are not part of the FRG's mission. Thus, this equipment may not be used for such events.

13. May the commander or FRG leader hold the position of Fund Custodian/Alternate Treasure? Can the First Sergeant?

The Fund Custodian (Treasurer) and the Alternate must not be the unit commander, a deployable Soldier, or the FRG leader. Thus, the commander and FRG leader are explicitly prohibited from holding this position. Assuming the First Sergeant is a deployable Soldier, which will almost always be the case, he/she is also prohibited from serving in this position.

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14. May FRGs fundraise off the installation?

No. The FRG is subject to the fundraising rules contained in the Joint Ethics Regulation (JER). As such, the FRG may officially fundraise from its own community members or dependents and from all personnel benefitting throughout the installation. AR 608-1 makes clear that an FRG may fundraise throughout the installation. Fundraising will be approved by the appropriate commander after consultation with their ethics counselor. Commanders must avoid all conflicts with other authorized fundraising activities. Also, depending upon where within the installation the FRG wishes to fundraise, approval from another authority may be required (e.g., the Joint Base commander, AAFES, etc.).

15. Must Soldiers be in a pass or leave status to participate in fundraising for an FRG? If so, may they be in uniform?

The fundraising rules found in the Joint Ethics Regulation and Army Regulation 600-29 apply to FRG fundraising activities. As such, Soldiers may participate in fundraising, but must do so in an unofficial capacity. They must be in a pass or leave status to participate in fundraising, and they should not fundraise in uniform.

16. Can Soldiers and/or Family members “volunteer” their time to an off-post organization which would “donate” the volunteer’s “wages” to the unit’s FRG?

No. The fundraising rules in the Joint Ethics Regulation and Army Regulation 600-29 prohibit fundraising off the installation. Volunteering time off post in exchange for donations to the FRG informal fund is a form of off-post fundraising and thus is prohibited. Generally speaking, unit commanders may accept unsolicited gifts or donations of money valued at \$1000 or less for its FRG informal fund, but that cannot be in exchange for FRG members conducting “volunteer” work off-post.

17. What is the monetary limit a company commander may accept into the FRG?

The monetary amount that any commander may accept into the FRG informal fund is \$1000—after consultation with the unit ethics counselor.

18. When the FRG is selling food or tangible items, may they set a suggested price or does everything need to be sold by donation only?

Everything should be sold by donation only (i.e., not a fixed selling price). However, there is no prohibition to the FRG setting a “minimum donation”

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amount for food or tangible items. The donor can then choose to give the minimum amount for the item, or to give more.

19. There is an organization off-post that buys donated clothing. May the FRG collect unwanted clothing from their members, and sell it to the organization for the Informal Fund?

Yes. This is a form of fundraising among, by, and for the FRG's members. The FRG may officially fundraise from its own community members or dependents (and from all persons benefiting from the Army organization). While the FRG is collecting clothing, the clothing itself is not donated to the FRG informal fund. Instead, the FRG sells its donated clothing to an off-post organization that buys donated clothing. Thereby, the FRG converts the goods donated by its members into cash for the informal fund. As such, this activity does not constitute fundraising with an off post entity.

20. May the FRG advertise a fund raiser on the unit's Facebook page?

Yes, as long as the unit Facebook page is restricted to unit members and their families. However, if the page is open to the public, then the FRG may not advertise a fundraiser because the fundraising is not restricted to its members.

21. Can the FRG accept food donations such as pizza for a FRG event/meeting?

Possibly. If the FRG's Informal Fund SOP permits the purchase of food for FRG/unit events, then accepting donated food for these meetings is permissible. Donated food is a perishable item (not really tangible property), and, assuming the informal fund SOP permits such purchases, is essentially a donation to the FRG informal fund itself. However, the FRG should not accept any offered tangible property (such as cooking equipment, etc.).

22. Can the commander offer passes to Soldiers as a door prize at FRG meetings/events?

It depends. If the door prize requires/suggests a donation in order to be entered, then it is a form of fundraising. A commander may not grant a pass or other incentive as a fundraising contribution inducement. See AR 600-29, paragraph 1-10c. However, if the door prize is one in which all meeting attendees are automatically entered and there is no required or suggested donation, then the commander can offer passes to Soldiers as door prizes. In this latter case, the pass would be essentially for "conduct meriting approval"—i.e., supporting the FRG by attending its meeting. See AR 600-8-10, Table 5-14.

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23. The USO offers a free Cantina at FRG/unit events which can serve pastries or hotdogs and soda. May the FRG utilize this activity for meetings?

Possibly. If the FRG's Informal Fund SOP permits the purchase of food for FRG/unit events, then accepting donated food for these meetings is permissible. Donated food is a perishable item (not really tangible property), and, assuming the informal fund SOP permits such purchases, is essentially a donation to the FRG informal fund itself. However, the FRG should not accept any offered tangible property (such as cooking equipment, etc.).

24. Our battalion is gearing up for their winter holiday party, and each FRG was asked to give \$500 from their FRG Informal Fund. Can the BN legally request the FRG to do this?

It depends. First, the command must make clear whether this event is primarily a unit event or an FRG event (i.e., to benefit FRG members) and then utilize the proper funds. If it is a unit MWR event or a unit ball, the unit may not task the FRGs to donate from their FRG informal fund. If this is an FRG event, tasking subordinate units to provide FRG informal funds is appropriate. See AR 608-1, Appendix J-7(a).

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Miscellaneous questions:

1. Can Soldiers hold staff positions in the FRG, such as FRG leader?

Generally speaking, Soldiers may hold FRG staff positions, except for the treasurer/fund custodian position (if the Soldier is deployable). In practice, some commanders choose to limit Soldier participation in staff positions, which is permissible. For example, the command may choose to prohibit Soldiers from holding statutory volunteer positions within the FRG due to mission requirements. Check your local SOP to determine the parameters governing a Soldier's service on a staff position; the commander has ultimate discretion on this matter.

2. May a unit FRG have a stand-alone FACEBOOK page?

Yes. However, if the page is open to the public, then the FRG may not advertise any fundraisers because the fundraising is not restricted to its members. If the FRG wishes to advertise fundraisers on its Facebook page, it should utilize a "closed" page that requires administrator permission for an

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individual to join. The administrator of the FRG Facebook Group must ensure that anyone seeking to join is a member of the FRG.