
D.1. Defining a Gift

A gift is a gratuitous, voluntary transfer of ownership in property or the gratuitous provision of a service without consideration or compensation. Said another way, a gift is anything of value that is not paid for by the recipient - including, but not limited to:

- a. Donations
- b. Cash
- c. Checks
- d. Money Orders
- e. Negotiable Instruments
- f. Securities
- g. Endowments
- h. Scholarships
- i. Personal Property
- j. Real Property
- k. Services

D.2. Defining a Prohibited Source

A prohibited source is any person, company, organization, or non-Federal Government entity that:

- a. Is doing business with the Coast Guard.
- b. Is seeking business with the Coast Guard.
- c. Conducts activities that are regulated by the Coast Guard.
- d. Has interests that might be substantially affected by Coast Guard personnel performing or not performing their duties.
- e. Is an organization or association having a majority of members that meet one or more of the above criteria.

D.3. Exemptions

Recreational boaters, although technically regulated by the Coast Guard, are exempted as a class from the prohibited source definition. Additionally, attorneys who devote less than a majority of their professional time to representing (or lobbying for) prohibited sources and who derive less than a majority of their personal income from such representation (or lobbying) are exempted as a class from the prohibited source definition.

**D.4. Prohibited
Source Analysis
and
Determination**

Section H of Chapter 5 requires certain Auxiliarists to make a prohibited source determination and analysis before permitting an Auxiliary unit to solicit and accept a gift from an outside source or to accept an unsolicited gift from an outside source.

The following factors shall be considered as part of any prohibited source analysis and determination:

- a. The positive impact on the Coast Guard in granting approval.
 - b. The business or regulatory relationship between the prospective donor and the Coast Guard.
 - c. The nature and sensitivity of any matter pending between the prospective donor and the Coast Guard.
 - d. The likelihood of adverse publicity.
 - e. Whether a reasonable member of the public, knowing all of the facts, would lose confidence in the Coast Guard.
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