



MINISTRY OF DEFENCE

JSP 886 DEFENCE LOGISTICS SUPPORT CHAIN MANUAL

VOLUME 4 MATERIEL ACCOUNTING

PART 9 GIFTING OF MOD MATERIEL

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**FOR TECHNICAL REASONS, EXTERNAL LINKS ON THIS
INTERNET VERSION HAVE BEEN REMOVED.**

VERSION RECORD		
Version Number	Version Date	Version Description
1.0	01/04/11	Move from Volume 9 and Minor Update
1.1	24/01/12	Change of RAF Heritage Branch POC.
1.2	12/04/12	Change of RN and Army Heritage Branch POCs

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CHAPTER 1: INTRODUCTION TO GIFTING OF MOD MATERIEL

PURPOSE

1. The purpose of this instruction is to define the Joint Support Chain (JSC) procedures that govern the gifting of surplus MOD assets, equipment or materiel with the exception of land and buildings.
2. The MOD policy on Gifting is the responsibility of the Deputy Head of Financial Management Policy and Development – Policy (FMP&D Policy) and is contained in JSP 462, Chapter 17: Transactions - Gifting.
3. The process of gifting falls into two distinct areas:
 - a. The application of the financial policy governing the rules for gifting. This comes under the jurisdiction of FMP&D Policy who gives final approval and authority to gift.
 - b. The JSC procedure for processing the requests for approval and the transference of a gift from MOD ownership to the recipient once final FMP&D Policy authority has been given. This is the remit of the Disposal Services Authority (DSA).
4. This policy describes the necessary steps to allow DSA to progress the request and to effect transfer of ownership once final authority has been given by FMP&D-Policy.

BACKGROUND

5. The DSA is responsible for disposal policy and activity undertaken by the MOD, with the aim to secure the best overall return for the taxpayer. The majority of surplus materiel, including waste, is sold and the income reinvested in Defence. In gifting equipment, the MOD forgoes this income. Consequently, gifting represents a real cost to the Department and must be weighed against other priorities. Gifting is exceptional and is only to be considered when there are significant benefits accruing to MOD, or the wider UK Government.
6. The MOD is not to encourage third parties to request gifts from the Department. Where gifting is approved, equipment is gifted as it lies and the MOD is not to incur any additional expense as a result of making the gift. Charges are to be raised if MOD is requested to provide the recipient of the gift with any assistance, such as repairs and transportation. Gifting is restricted to those organisations set out in JSP 462, Chapter 17: Transactions - Gifting:
 - a. Foreign governments.
 - b. National museums sponsored by the Department of Culture, Media and Sport.
 - c. Principal MOD-sponsored museums for the RN, Army and RAF.
 - d. Regimental and Corps Museums funded or otherwise controlled by MOD.
 - e. Regimental and Corps Museums that are funded or otherwise controlled by public authorities (such as city councils) and are endorsed by Army Heritage Branch. In these cases, the gift request must be made by the public authority and the gift will be made to the public authority for display in the relevant museum.

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f. Other Regimental and Corps Museums that represent a serving or antecedent regiment, are endorsed by the Army Heritage Branch, are affiliated to the Army Museums Ogilby trust, are not privately owned and are not operated for profit.

g. Public authorities that have an affiliation with the Services or the MOD. For example, certain local councils where a ship carries the name of the city or town or which have a large Service presence.

7. It is not permissible to gift to individuals, charities or companies.

POLICY

8. It is MOD policy that any property on the MOD asset register that is to be gifted is to be formally approved and authorised by FMP&D-Policy and processed by DSA.

OWNERSHIP AND POINTS OF CONTACT

9. The policy, processes and procedures described in the Defence Logistics Support Chain Manual (JSP 886) are owned by Director Joint Support Chain (DJSC). Head Supply Chain Management (SCM-Hd) is responsible for the management of JSC policy on behalf of D JSC. This instruction is sponsored by DES DSA.

a. Enquiries about the content are to be addressed to:

DES DSA MST1a2
H Site, Building 9, Room 20, JSCS Bicester, BICESTER OX25 2LD
Tel Mil: 94240 2017 Civ: 01869 256017. Email: DESDSA-mst1a2@mod.uk

b. Enquiries concerning the accessibility and presentation are to be addressed to:

DES JSC SCM-SCPol-Editorial Team
Cedar 1a, #3139, MOD Abbey Wood, BRISTOL, BS34 8JH
Tel: Mil: 9679 80953 Civ: 03067 980953. Email: DES JSC SCM-SCPol-ET1@mod.uk

GLOSSARY

10. A Glossary of JSC terms is available at JSP 886 Volume 1 Part 1A.

LINKED PUBLICATIONS

11. The following publications are linked to the subject of gifting of MOD property:

- a. JSP440: Defence Manual of Security.
- b. JSP462: Financial Management Policy Manual.
- c. JSP472: Financial Accounting and Reporting Manual 2010/11.
- d. ECAB/P(07)115 dated 16 Jun 08.
- e. MOD(A) Policy towards Regimental and Corps Museums.

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SUPERSEDED PUBLICATIONS

12. JSP 886 Volume 9 Part 9 - Gifting of MOD Property, is superseded by this instruction:

CHAPTER 2: PROCEDURES FOR THE GIFTING OF MOD MATERIEL

PROCESS OF GIFTING

1. The purpose of this Chapter is to set out the JSC procedures for gifting of surplus MOD property. It does not include processes that precede the declaration for disposal or the granting of authority to dispose.

MOD / Museum Sponsor

2. If an MOD unit receives a request for gifting an MOD asset, that unit must consider whether they support the request. If they do support it, then they become the MOD sponsor and as such are responsible for initiating the process. The single Service heritage branches act as sponsors for all gifting requests from eligible museums.

3. In the case of MOD sponsored museums; it is the museums responsibility to identify items that may be of potential heritage interest and to liaise direct with the equipment owner (normally the Project Team (PT) to establish the availability of the asset.

4. To formally initiate the gifting process, the MOD sponsor or eligible museum is to complete Part 1 of the Gifting Proforma, Figure 2, and send this to the relevant PT accompanied by a Headed Letter outlining the details of the proposed gift, the recipient and the reasons for requesting the gift.

Notification of Risk

5. The PT or equipment owner is to complete Part 2 of the Gifting Proforma confirming the value, and availability of the equipment. It is the equipment owner's responsibility to identify any hazards or health and safety issues relating to the equipment and, where necessary, they are to complete a 'Notification of Risks' form, Figure 3. Once completed, the proforma is to be forwarded to the relevant heritage branch, see Figure 1 below, in the case of requests from eligible museums, or in all other cases to the MOD Sponsor.

Figure 1: Service Heritage Branch

Service	Who	Telephone
Royal Navy	Navy Command 3rd Sector (Heritage Desk)	02392 625620 / 625393
Army	Army Heritage Branch, Army Headquarters	01264 381679
Royal Air Force	RAF Heritage Branch, HQ Air Command	01494 497234 /496081

The relevant heritage branch or MOD Sponsor will complete Part 3 of the Gifting Proforma. If they support the request, they will forward it to:

DSA Management Support Team
H Site, Building 9, Room 20, JSCS Bicester, BICESTER OX25 2LD
Tel Mil: 94240 2017 Civ: 01869 256017
Email: DESDSA-mst1a2@mod.uk

DSA Approval

6. The DSA will complete Part 4 of the Gifting Proforma, having provided a market valuation of the equipment and having considered whether they are able to forgo the receipts that would have accrued from the sale.

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7. Once the above actions have been completed, the DSA Management Support Team will forward the submission to the appropriate authorising authority for their consideration. These authorities are listed in JSP 462 Chapter 17 and currently comprise:

- a. **DES Fin FA-Hd.** Gifts within the UK below £1000, which are not novel or contentious.
- b. **FMP&D-Policy.** All other gifts up to a value of £250,000 which are not novel or contentious. FMP&D-Policy will advise on novel and contentious gifts and will facilitate obtaining Treasury and Parliamentary approval of gifts valued above £250,000.

Figure 2: Gifting Proforma

GIFTING PROFORMA			
PART 1 – MUSEUM / MOD SPONSOR			
Museum Name:			
POC & Tel No:			
Date of Request:			
Equipment:			
Letter attached? (Requests will not be processed without a justification letter and full description of equipment)			YES / NO
PART 2 – PT / EQUIPMENT OWNER CLEARANCE			
PT Name:			
PT POC & Tel No:			
E-mail Address:			
Is equipment surplus to MOD requirements?			YES / NO
Is PT willing to process the request and does it declare the equipment as surplus for gifting?			YES / NO
Are there any known hazards or Health & Safety matters?			YES / NO
If yes, complete 'Notification of Risks' form including risks involved in the removal, transportation and display of the equipment. The completed form is to be included with the 'Gifting Proforma'.			
Comments:			
Signed:			
Post Title:		Date:	
PART 3 - HERITAGE BRANCH / SPONSORSHIP APPROVAL			
Sponsors Name:			
POC & Tel No:			
Are you content to support this request?			YES / NO
Comments:			
Signed:			
Post Title:		Date:	
PART 4 – DSA APPROVAL			
Any value below £10,000, DSA TL-Commercial Disposals is authorised to sign on behalf of DSA TL-Finance			
Case No:			
Date received:			
Value of Equipment:			
Valued by:			
Statement by DSA TL-Commercial Disposals – "I am content that the loss of this receipt will not affect my ability to achieve the Authority's Key Target."			
Signed:			
Post Title:		Date:	
Statement by DSA Finance if value over £10,000 – "I am content to forego the receipts if this case is approved. It will not affect DSA's financial performance in achieving receipts."			
Signed:			
Post Title:		Date:	
Date passed to DES Fin FA-Hd:			
(Pass to FMP&D-Policy - If value in excess of £1,000)			
For any advice on the Gifting procedure, please contact the DSA on			
Tel: Mil: 94240 2017 / Civ: 01869 256017 Email: DESDSA-mst1a2@mod.uk			

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Transfer of Title

8. Once the authorising authority has granted approval, it is the DSA's responsibility to formally write to the recipient of the gift to legally transfer title. The recipient is required to sign an indemnity, an acknowledgement of responsibilities and a certificate of acceptance before legal transfer can occur or physical handover of the equipment can take place.

9. Once the recipient returns the signed transfer documents, the DSA will issue a release letter to the equipment owner (PT) and MOD Sponsor, copied to the recipient, so that physical transfer can go ahead ensuring at all times that MOD does not incur any costs in making such assets available for transfer.

10. All gifts must be reported in the Departmental Resource Account (DRAc) and it is therefore essential that the date of collection, that signifies the completion of the gifting process, is notified to:

DSA Management Support Team
H Site, Building 9, Room 20, JSCS Bicester, BICESTER OX25 2LD
Tel Mil: 94240 2017 Civ: 01869 256017
Email: DESDSA-mst1a2@mod.uk

Figure 3: Notification of Risks Form

NOTIFICATION OF RISKS						
Risk	Likelihood and Impact	Response Actions to be Taken	By Whom Action by	Date	Next Review	Date
1	2	3	4	5	6	7

Notes to Columns:

- Detail the risk identified.
- What is the likelihood of the risk occurring (High, Medium or Low)? What will be the impact of the risk if it occurs (High, Medium or Low)?
- Responses to risk can be divided into four categories:
 - Transfer. For some risks the best response may be to transfer them. This might be done for example by having conventional insurance to protect against the risk.
 - Tolerate. Ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained.
 - Treat. By far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to remove the risk, but more likely to contain the risk to an acceptable level.
 - Terminate. Some risks will only be treatable or containable to acceptable levels by termination of the risk.
- Insert the details of any actions that must be taken to control (or treat) the risk to an acceptable level.
- State who is to complete the 'Action to be Taken'.
- State by when the 'Action to be Taken' is to be completed. For Example, this could be before the Equipment is issued to the Museum (if action is to be completed by the Donor Branch) or before it is put on Public Display (if the action is to be completed by the Museum).
- State date of when the Museum should review the risk stated.