



Appendix D. Prohibited Source Analysis and Determination

Introduction This appendix provides pertinent information to aid Auxiliarists in analyzing and determining prohibited sources of gifts.

In this Appendix This appendix contains the following information:

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- 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
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- 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.
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- 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.
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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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