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Ministry
of Defence

JSP 886
DEFENCE LOGISTICS SUPPORT CHAIN MANUAL

VOLUME 4
MATERIEL ACCOUNTING

PART 9
GIFTING OF MOD MATERIEL

VERSION RECORD		
Version Number	Version Date	Version Description
1.0	01 Apr 11	Move from Volume 9 and Minor Update
1.1	24 Jan 12	Change of RAF Heritage Branch POC.
1.2	12 Apr 12	Change of RN and Army Heritage Branch POCs
1.3	15 Feb 13	Revision to the Gifting Proforma at Chapter 2 Figure 2.
1.4	26 Mar 13	Revision of the Gifting Proforma at Chapter 2 Figure 2.
1.5	22 Nov 13	Changes to POC. Re-alignment of Figure 3 (Notification of Risks Form).
1.6	13 Dec 13	Changes to Chapter 1 Paragraphs 2 and 6 and Chapter 2, Paragraph 8b.
1.7	14 Aug 14	Update RAF Heritage Branch Details.

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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 Accounting – Policy (FMPA Policy) and is contained in JSP 462, Chapter 16: 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 FMPA 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 FMPA 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 FMPA-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 can normally be made only to those organisations set out in JSP 462, Chapter 16: 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. Gifts to charities or voluntary groups, individuals or companies (even if they are Defence contractors) will not normally be made but may be considered only where there are exceptional circumstances and a robust business case exists that sets out (in auditable terms) the clear value for money benefit that will accrue to Defence from the gift.

POLICY

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

OWNERSHIP AND POINTS OF CONTACT

9. The policy, processes and procedures described in JSP 886, the Defence Logistics Support Chain Manual are owned by ACDS LOGOPS. ACDS LOGOPS-Log Strat and Pol DH is responsible for the management of JSC policy on behalf of ACDS LOGOPS. This instruction is sponsored by DES DSA.

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

DSA Management Support Team
Tel: Mil: 94240 Ext 2017. Civ: 01869 256017.
Email: DESDSA-mst1a2@mod.uk

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

ACDS LOGOPS-JSP886 ET 1
Tel: Mil: 9679 Ext: 80953. Civ: 030679 80953.
Email: ACDS LOGOPS-JSP886 ET 1

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. [JSP 440: Defence Manual of Security.](#)
- b. [JSP 462: Financial Management Policy Manual.](#)
- c. [JSP 472: 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:

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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 at Figure 2 below, 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 at Figure 3 below. 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 3 rd Sector (Heritage Desk)	02392 625620 / 625393
Army	Army Heritage Branch, Army Headquarters	01264 381679
Royal Air Force	RAF Heritage Branch, Room 34, Lancaster Block, HQ Air	Civ: 01494 493805 Mil: 95221 Ext 3805

6. 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 8, JSCS Bicester, BICESTER OX25 2LD
Tel Mil: 94240 Ext 2017 Civ: 01869 256017. Email: DESDSA-mst1a2@mod.uk

DSA Approval

7. 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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8. 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 16 and currently comprise:

- a. **DES Fin FA-Hd.** Gifts within the UK up to £1000, which are not novel or contentious.
- b. **FMPA-Policy.** All other gifts up to a value of £300,000 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 £300,000.

Figure 2: Gifting Proforma

PART 1 – REQUESTING EXTERNAL BODY	
Name of Body: Name of Point of Contact or Representative: Address: Telephone No: _____ E-mail Address: _____ Date Submitted: _____	
Brief Description of the Equipment Requested:	
1. A Letter on headed paper that includes a full description of the equipment and reason(s) for making the request is required. Has this been attached to this proforma? (Requests will not be accepted without such a letter)	YES / NO
2. Has the MOD gifted this type of equipment or similar item(s) to the requesting body previously? If YES, please provide full details (item(s) and date(s) within the letter of request	YES / NO
3. Is this request linked to any other request(s)? If YES, provide details including why the additional / supporting item(s) is requested:	YES / NO
PART 2 – PROJECT TEAM / EQUIPMENT OWNER CLEARANCE (Please read JSP 886, Volume 4, Part 9 before completing this Section)	
Project Team or Owner's Contact Details Name of Point of Contact or Representative (Please PRINT): Post Title or Appointment: Address: Telephone No: _____ E-mail Address: _____	
1. Has the equipment requested been declared surplus to MOD requirements?	YES / NO
2. Are there any restrictions that apply e.g. availability? If YES, provide details:	YES / NO
3. Are there any known hazards or Health & Safety matters including risks involved in the removal, transportation and display of the equipment?*	YES / NO
* If YES, complete 'Notification of Risks' Form (Figure 3) and attach it to this Proforma.	
4. Is the equipment the subject of or included within an existing agreement e.g. MOU or treaty? If YES, does it allow for a transfer or loan within its terms?	YES / NO YES / NO
Is the requested equipment MOD funded i.e. not funded from the Treasury Reserve (inc. Urgent Operational Requirement items)? If NO, MOD has no authority to approve or make the gift (see JSP462, Chapter 16, Annex C)	YES / NO
Comments:	
Signed: _____ Date: _____	
PART 3 – MOD SPONSOR / HERITAGE BRANCH APPROVAL	
Name of Point of Contact or Representative (Please PRINT): Address: Telephone No: _____ E-mail Address: _____	
Are you content to support this request? If YES, please state the defence and/or heritage benefit(s) and why the proposal is of particular merit and/or importance and should be approved:	YES / NO
Signed: _____ Date: _____	
PART 4 – DISPOSAL SERVICES AUTHORITY APPROVAL	
Case No / Reference: _____	Date received in DSA: _____
Value of Equipment: _____	Valued by: _____
Comments by DSA Team Leader-Commercial Disposals (*Please delete as appropriate): 1. The loss of this receipt will* / will not* affect my ability to achieve the Authority's Key Target and I am* / I am not* willing to forego the potential receipts of this sale."	

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2. Approval Signature:		
Signature:	Name (Please PRINT):	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.”		
Signature:	Name (Please PRINT):	Date:
Submit to <u>DES FIN FA-FRET FinGov(MULTIUSER)</u> – If value is ≤£1000 and neither novel or contentious nor linked to overseas operations or exercises		
Submit to <u>DHOFC-FMPAChargingPolicyGifting(MULTIUSER)</u> - If value > £1,000 and/or novel and contentious or linked to overseas operations or exercises		

Note: Gifting policy is published in JSP 462 Chapter 16. For guidance on procedure see JSP 886 Volume 4, Part 9 or contact the DSA (Tel: Mil: 94240 Ext 2017 / Civ: 01869 256017)

Transfer of Title

9. 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.

10. 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.

11. 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 the DSA Management Support Team, as per Paragraph 6 details.

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:

1. Detail the risk identified.
2. 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)?
3. Responses to risk can be divided into four categories:
 - a. **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.
 - b. **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.
 - c. **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.
 - d. **Terminate.** Some risks will only be treatable or containable to acceptable levels by termination of the risk.
4. Insert the details of any actions that must be taken to control (or treat) the risk to an acceptable level.
5. State who is to complete the ‘Action to be Taken’.
6. 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).
7. State date of when the Museum should review the risk stated.