



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

NOV 27 2002

COMPTROLLER

MEMORANDUM FOR DIRECTOR FOR FINANCE, DEFENSE FINANCE AND  
ACCOUNTING SERVICE

SUBJECT: Commercial Sponsorship of On-base Community Events by Other Than the  
Financial Institution Authorized to Operate on a Military Installation

Recently, you requested policy guidance regarding commercial sponsorship of on-base community events by other than the financial institution authorized to operate on a Military installation. Your request resulted from the issuance of a legal opinion by the Office of the Staff Judge Advocate, Headquarters, United States European Command (USEUCOM), that permitted morale, welfare and recreation (MWR) activities to accept commercial sponsorship from unauthorized financial institutions in support of on-base community events. The opinion offered by the USEUCOM Office of the Staff Judge Advocate is predicated on paragraph E9.1.1. of DoD Instruction 1015.10, "Programs for Military Morale, Welfare, and Recreation (MWR)," which authorizes MWRs to enter into commercial sponsorship agreements with individuals, agencies, associations, companies, corporations or other entities. You indicated that this opinion appears to conflict with Volume 5, Chapter 34, subparagraphs 340403.E, "Advertising," and 340403.G, "Distribution of Literature," of the DoD Financial Management Regulation ("DoDFMR") which prohibit unauthorized financial institutions from distributing literature on an installation when an authorized financial institution is operating on the installation, and paragraph 4.1.1. of DoDD 1000.11, "Financial Institutions on DoD Installations," that limits the number of financial institutions on an installation to one bank and one credit union.

Your request was forwarded for review to the Office of the Deputy General Counsel (Fiscal) (ODGC(F)). As you will note, the ODGC(F)'s opinion (copy attached) mirrors that expressed by your office. Also attached is a copy of the revised opinion from the USEUCOM Office of the Staff Judge Advocate that is consistent with that of the ODGC(F). Given that the USEUCOM Office of the Staff Judge Advocate's opinion, as revised, is no longer in conflict with the aforementioned issuances governing banks and credit unions, this office's action on your request for policy guidance is assumed to be completed.

Mr. Tom Summers is the staff contact for this matter. He may be reached by e-mail: [summerst@osd.pentagon.mil](mailto:summerst@osd.pentagon.mil) or by telephone at (703) 697-3193.

Gretchen Anderson

Associate Director for Accounting and Finance  
Policy and Analysis

Attachments



DEPARTMENT OF DEFENSE  
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MEMORANDUM FOR DIRECTOR, ACCOUNTING, FINANCE POLICY &  
ANALYSIS, OFFICE OF THE UNDER SECRETARY OF  
DEFENSE (COMPTROLLER)

SUBJECT: First Command Bank

This responds to your 15 August 2002 request for a legal opinion concerning a commercial sponsorship agreement between the Heidelberg Military Community and the First Command Bank, in which the First Command Bank provided funds for a Holiday Bazaar in return for the opportunity to advertise its services on a military installation. First Command Bank is not an accredited financial institution authorized to operate on military installations in USEUCOM. Those banks and credit unions that are authorized to operate on USEUCOM installations have complained that commercial sponsorship agreements with unauthorized financial institutions such as First Command Bank violate their operating agreements and reduce their profits. In none of the Status of Forces Agreements (SOFAs) in Europe has the command accredited First Command Bank as an authorized financial institution to operate on United States military installations in support of armed forces stationed there.

It is our view that the commercial sponsorship agreement with First Command Bank violated DoD Directive 1000.11, paragraph 4.2.2, which limits financial services at overseas DoD installations to chartered institutions with an operating agreement and SOFA accreditation; and DoD Financial Management Regulation, DoD 7000.14-R, volume 5, chapter 34, paragraphs 340403.E. and G., which prohibit unauthorized financial institutions to distribute literature on a military installation if an authorized financial institution is operating on the installation. Furthermore, DoD Instruction 1015.10, Programs for Military Morale, Welfare and Recreation (MWR), which authorizes commercial sponsorship agreements, requires at paragraph E9.1.2. that any public recognition or advertising media permitted as a result of the agreement be reviewed for consistency with DoD and component policies, and be otherwise appropriate.

In sum, the subject commercial sponsorship agreement is inconsistent with the governing SOFA, and with longstanding DoD policy that limits the number of banks and credit unions operating on installation in return for commitments of certain levels of financial services to members of the armed forces. The proponent office for DoD Instruction 1015.10 has reviewed the opinion and concurs.



Ms. Elizabeth Buchanan is the staff contact for this matter. She may be reached by e-mail: [Buchanae@osdgc.osd.mil](mailto:Buchanae@osdgc.osd.mil) or by telephone at (703) 697-7228.

A handwritten signature in black ink, appearing to read "E. Scott Castle". The signature is written in a cursive, somewhat stylized font.

E. Scott Castle  
Deputy General Counsel (Fiscal)

CF: Staff Judge Advocate, USEUCOM