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## Appendix D. Prohibited Source Analysis and Determination

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**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:

Topic	See Page
Defining a Gift	D-3
Defining a Prohibited Source	D-3
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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**

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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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