



DEPARTMENT OF THE NAVY
BUREAU OF MEDICINE AND SURGERY
7700 ARLINGTON BOULEVARD
FALLS CHURCH, VA 22042

IN REPLY REFER TO
BUMEDINST 5305.4
BUMED-M00C
12 Oct 2011

BUMED INSTRUCTION 5305.4

From: Chief, Bureau of Medicine and Surgery
To: All Internal BUMED Codes

Subj: PURCHASE AND DISTRIBUTION OF CHALLENGE COINS

Ref: (a) SECNAVINST 3590.4A
(b) 10 USC 2261
(c) SECNAVINST 7042.7K
(d) 31 U.S.C. 1301(a)
(e) 10 U.S.C. 2261

1. Purpose. This instruction is issued to outline the policy for purchasing, distributing and documenting command challenge coins in accordance with references (a) through (e).

2. Background

a. Appropriated funds (APF) may only be used for authorized purposes in accordance with reference (e). Absent specific authority, an expenditure using APF is prohibited. Consequently, a command may expend APF to purchase command coins only as a means to recognize outstanding performance and as a component of the command's provision of official courtesies.

b. To ensure that challenge coins are purchased and distributed by Bureau of Medicine and Surgery (BUMED) Headquarters in accordance with references (a) through (e), this instruction outlines the justification for purchase, distribution, and required record keeping.

3. Scope. This instruction applies to all military personnel and civilian employees within BUMED Headquarters.

4. Policy

a. Distribution of challenge coins shall be in support of employee recognition programs in accordance with agency policy and in support of the Navy Medicine mission. Presentation of a coin qualifies as an award when given for outstanding performance, specific achievement, or a unique achievement that contributes to command effectiveness.

b. Purchase of challenge coins and medallions shall be authorized by Chief of Staff, BUMED. The authorization shall be retained with the purchase records for 3 years. Operations and Maintenance Defense Health Program (O&MDHP) funds shall be used to purchase coins or medallions awarded to civilian employees and military personnel. Coins or medallions presented

to persons other than civilian employees or military personnel must be purchased with official representational funds (ORF). Coins will not be personalized with the name of the flag ranked officer or senior executive.

c. BUMED 5305/3, Challenge Coin Record is used to document coin purchase and distribution. A complete record must be maintained to include the date and quantity of coins purchased, recipient's name(s), reason for the presentation and date the coins or medallions are distributed. These records shall be maintained for 3 years.

5. Authorization for Distribution of Command Coins

a. Awards. Expenditure of APF to purchase command coins to award meritorious service is permissible under reference (a). Presentation of a coin qualifies as an award when given for outstanding performance, specific achievement, or a unique achievement that contributes to command effectiveness. Because command coins provided in this context should bear the characteristics of other command awards, the coins should be limited in number, accounted for in a written record, and not personalized with the commander's name.

b. Recruitment and Retention Purposes. Reference (d) enables commands to use APF to purchase recognition items of nominal or modest value (less than \$50). Command coins may be awarded solely to recognize the recruitment and retention of military members of the armed forces and is intended to express appreciation for their service. Eligibility includes the enlistment/reenlistment of an individual to serve as a military member of the armed forces. There is no authority to expand the definition of this provision. The coins must be accounted for in a written record, and not personalized with the commander's name.

c. Official Representation Funds (ORF). Reference (b) provides that ORF may be used to purchase mementos that have a command or official theme. Coins having a command or official theme qualify as appropriate mementos. Generally, a command may offer mementos not exceeding \$335 to foreign dignitaries or other prominent citizens (non-Department of Defense (DoD) personnel). A command may also offer mementos not exceeding \$40 to prominent visiting DoD officials. The coins must be accounted for in a written record, and not personalized with the commander's name.

d. Private Funds. Coins given as gifts, tokens of appreciation, recognition of routine performance of duty, or to instill unit pride are not awards. Coins used this way cannot be purchased with APF, but rather must be purchased using private funds. Coins purchased with private funds may be personalized with the donor's name and there are no restrictions on the use of such coins. In using these funds, a commander is not bound by the restrictions discussed above (other than good taste).

6. Action. Flag ranked officers and senior executives that currently possess challenge coins or medallions purchased with appropriated funds shall receive BUMED, Chief of Staff authorization prior to further distribution of challenge coins or medallions. Record of challenge coin or medallion distribution as required in paragraph 4 above shall be kept for all currently possessed coins.

7. Form. BUMED 5305/3 (7-2011) Challenge Coin Record is available electronically at: <https://navalforms.daps.dla.mil/web/public/home>.


A. M. ROBINSON, JR.

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