

U.S. NUCLEAR REGULATORY COMMISSION

DIRECTIVE TRANSMITTAL

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To: NRC Management Directives Custodians

Subject: Transmittal of Management Directive 5.4, "Official Representation Expenses"

Purpose: Directive and Handbook 5.4 are being revised to update organizational changes and authorities and to change procedures to more effectively manage the Commission's Representation Fund.

Office of Origin: Office of International Programs

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Directive: 5.4 Official Representation Expenses

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Official Representation Expenses

Directive
5.4

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U. S. Nuclear Regulatory Commission

Volume: 5 Governmental Relations and Public
Affairs

OIP

Official Representation Expenses

Directive 5.4

Policy (5.4-01)

It is the policy of the U.S. Nuclear Regulatory Commission that funds appropriated by Congress to NRC for official representation expenses be administered in accordance with the criteria, responsibilities, and procedures specified in this directive and handbook. Official Representation Funds (ORFs) may be used to host official receptions, dinners, and similar Government protocol functions for which NRC is the sponsor to accord proper honor and recognition or otherwise extend official courtesies to guests of NRC. Such functions must be for the purpose of maintaining or enhancing the standing and prestige or furthering the policies and objectives of NRC.

Objectives (5.4-02)

To ensure that funds annually appropriated to NRC by Congress for official representation expenses are used only in connection with representation functions necessary to carry out the official business of the United States Government.

Organizational Responsibilities and
Delegations of Authority
(5.4-03)

Chairman
(031)

Has approval authority for official representation activities and expenditures of funds such as those noted under Part III, Section (F)(2)(a), of the handbook.

Commission; Executive Director for Operations (EDO); Deputy Executive Director for Reactor and Preparedness Programs (DEDR); Deputy Executive Director for Materials, Waste, Research, State, Tribal, and Compliance Programs (DEDMRT); Deputy Executive Director for Information Services and Chief Information Officer (DEDIS/CIO); Office Directors; and Regional Administrators
(032)

- After determining that the official representation is necessary and is in compliance with the policies and criteria established by this directive and handbook, notify OIP's designee of the function at least 1 week before it takes place and provide sufficient information for the completion of an NRC Form 30, "Request for Administrative Services" (which can be accessed from agency desktops via the online forms icon). (a)
- May not incur obligations in excess of the amount certified on the NRC Form 30 without a revised funds certification and approval in advance. Refer to Part VI, Section (D)(1), of Handbook 4.2, "Administrative Control of Funds," for exceptions to this statement. (b)

Organizational Responsibilities and
Delegations of Authority
(5.4-03) (continued)

Commission; Executive Director for Operations (EDO); Deputy Executive Director for Reactor and Preparedness Programs (DEDR); Deputy Executive Director for Materials, Waste, Research, State, Tribal, and Compliance Programs (DEDMRT); Deputy Executive Director for Information Services and Chief Information Officer (DEDIS/CIO); Office Directors; and Regional Administrators (032) (continued)

- After completion of the function, submit original bills or receipts for payment of expenditures to OIP's designee for review and approval. If major changes to the original authorization have occurred (i.e., an increase in cost over the ceiling), these adjustments must be approved in advance and explained in detail on a page attached to the voucher and receipts. (c)

Director, Office of International
Programs (OIP)
(033)

- Manages the funds appropriated for official representation expenses. (a)
- Authorizes all official representation functions in advance. (b)
- Approves prescribed dollar limits for all official representation functions specified in Handbook 5.4, Part III. (c)
- Approves NRC staff attendance at official representation events in coordination with the Chairman. (d)

Organizational Responsibilities and
Delegations of Authority
(5.4-03) (continued)

Designee of the Director, OIP
(034)

- Reviews expenditures for all official representation functions and determines that they are in accordance with the policies and criteria established by this directive and handbook and that they were authorized in advance by the Director of OIP. (a)
- Approves and submits the completed NRC Form 30 to the NRC Central Allowance Team, Division of Financial Services, Office of the Chief Financial Officer (CEN/DFS/OCFO), for certification of funds. (b)
- Serves as custodian of the stock of NRC mementos, purchases suitable mementos for presentation to foreign dignitaries, and maintains a record of all mementos purchased as well as distributed. (c)
- Prepares and submits to the Director of OIP a quarterly expense report as required by Handbook 5.4, Part V. (d)
- In coordination with OCFO, recommends to the Director of OIP any limits required for various types of official representation expenses. (e)

Chief Financial Officer (CFO)
(035)

Issues allotments for NRC's appropriations.

Organizational Responsibilities and
Delegations of Authority
(5.4-03) (continued)

Director, Division of Planning, Budget,
and Analysis (DPBA), Office of the
Chief Financial Officer (OCFO)
(036)

- Serves as the allottee for NRC. (a)
- Issues allocations to the NRC Central Allowance under which OIP funds are provided for official representation activities. (b)

Director, Division of Financial Services
(DFS), OCFO
(037)

- Serves as allowance holder for the NRC Central Allowance under which OIP official representation funds are provided. (a)
- Records obligations in the official agency accounting system for authorized official representation expenses. (b)
- Maintains the official obligation and expenditure records for official representation funds. (c)
- Processes all Standard Form (SF) 1034s, "Public Voucher for Purchases and Services Other Than Personal" (which can be accessed from agency desktops via the online forms icon), filed for reimbursement of approved expenses incurred for authorized official representation functions. (d)

Organizational Responsibilities and
Delegations of Authority
(5.4-03) (continued)

Chief, Central Allowance Team, DFS, OCFO
(038)

- Performs periodic reviews, in conjunction with OIP's designee, of the official representation process to ensure compliance with the spirit and intent of this directive and handbook. (a)
- Certifies the availability of funds for official representation activities. (b)
- Maintains a record of commitments and obligations of funds. (c)

Applicability
(5.4-04)

All NRC employees shall follow the policy and guidance in this directive and handbook.

Handbook
(5.4-05)

General instructions and detailed guidelines relating to the allotment of funds and the approval, authorization, and criteria for functions, vouchers, reporting, and written justifications required by this directive are contained in Handbook 5.4.

References
(5.4-06)

Code of Federal Regulations

Federal Property Management Regulations, 41 CFR Part 101.

References

(5.4-06) (continued)

Comptroller General Decisions

Comptroller General Decision B-115132, June 17, 1953.

Comptroller General Decision B-133991, November 25, 1957
(37 Comp. Gen. 360).

Comptroller General Decision B-122515, February 23, 1959
(42 Comp. Gen. 19).

Comptroller General Decision B-142538, February 8, 1961.

General Services Administration

Federal Acquisition Regulation, Parts 13 and 29.

Government Accountability Office

Principles of Federal Appropriations Law, Third Edition, Volume I, Chapter 4.

NRC Documents

Management Directive (MD) 11.1, "NRC Acquisition of Supplies and Services."

MD 4.2, "Administrative Control of Funds."

United States Code

"Buying and Leasing Passenger Motor Vehicles and Aircraft,"
31 U.S.C. 1343.

"Extra Pay for Details Prohibited," 5 U.S.C. 5535(B).

Volume 5, Governmental Relations and Public Affairs
Official Representation Expenses
Directive 5.4

References

(5.4-06) (continued)

“Extra Pay for Extra Services Prohibited,” 5 U.S.C. 5536.

“Government Printing, Binding, and Blank-Book Work To Be Done at Government Printing Office,” 44 U.S.C. 501.

“Membership Fees; Expenses of Attendance at Meetings; Limitations,” 5 U.S.C. 5946.

Official Representation Expenses

Handbook

5.4

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Part I Allotment of Funds

Official Designated To Manage NRC Official Representation Funds (A)

The Director of OIP shall manage the NRC funds that cover all official representation expenses.

Issuing of Allowance (B)

Upon passage into law of NRC's annual Appropriations Act and apportionment of these funds by the Office of Management and Budget, the Director of Planning, Budget, and Analysis, Office of the Chief Financial Officer (OCFO), allocates funds for official representation to the Director of the Division of Financial Services, OCFO, as the allowance holder of the NRC Central Allowance Team (OCFO), under which OIP is provided funds for official representation activities. (1)

In the event NRC must operate under a continuing resolution (because the Appropriations Act was not approved by Congress before the start of the fiscal year), an allotment and allowance for official representation funds may be issued under guidelines stipulated in the continuing resolution. (2)

Part II

Approval and Authorization of Official Representation Expenses

Requests for Authorization (A)

Requests for authorization must be made by a Commissioner; the Executive Director for Operations; the Deputy Executive Director for Reactor and Preparedness Programs; the Deputy Executive Director for Materials, Waste, Research, State, Tribal, and Compliance Programs; office directors or regional administrators; the director, or designee, of the office proposing the official representation function or, as applicable, a higher official; the regional administrator; or the Director of OIP. (1)

OIP will prepare and submit for signature all NRC Form 30s, "Request for Administrative Services" (which can be accessed from agency desktops via the online forms icon). (2)

Review of Requests (B)

OIP's designee will review all requests for official representation functions for adequacy and compliance with policy and regulations and will indicate approval on the NRC Form 30. Refer to Management Directive (MD) 4.2, "Administrative Control of Funds," and MD 11.1, "NRC Acquisition of Supplies and Services."

Authorization of Requests (C)

The Director of OIP (or designee) will authorize all official representation functions in advance, sign as authorizing official on the NRC Form 30, and return the form to the appointed designee. (1)

The Director of OIP (or designee) will stipulate conditional changes, if any, on the original and all copies of NRC Form 30. (2)

Funds Certification (D)

A funds certifying official designated by the Chief of the NRC Central Allowance Team, Division of Financial Services (DFS), Office of the Chief Financial Officer (OCFO), will certify funds availability in advance for official representation expenses.

Necessity for Use of an Order for Supplies or Services (E)

Functions or purchases that exceed the micropurchase threshold require that the Division of Contracts, Office of Administration, issue an OF 347, "Order for Supplies or Services" (which can be accessed from agency desktops via the online forms icon), in accordance with MD 11.1, "NRC Acquisition of Supplies and Services." Exceptions require the approval of the Director of DFS, OCFO.

Variance From Established Procedures (F)

Although the advance planning usually inherent in representation functions should allow the procedures prescribed in Sections (A) through (E) of this part to be followed, emergency cases arising from unforeseen circumstances may make it necessary to bypass advance submission of NRC Form 30. In all these cases, the request, authorization, and certification of funds must be formalized within 2 working days after the official representation function by completion of an NRC Form 30 to establish a written record of the request and approval and to set forth the circumstances that prevented the advance planning. A function must not proceed without verbal certification of availability of funds from the designated funds certifying official, OCFO, and verbal authorization from the Director of OIP.

Part III

Criteria Under Which Expenses May Be Charged

General Criteria Governing NRC Official Representation (A)

Congress annually appropriates funds to NRC for official representation expenses and establishes a dollar limit on the amount of these expenses. No other funds are available for this purpose. All of these expenditures shall be accounted for and charged to the official representation allowance that has been established for this purpose. (1)

Official Representation Funds (ORFs) may be used to host official receptions, dinners, and similar Government protocol functions for which NRC is the sponsor to accord proper honor and recognition or otherwise extend official courtesies to guests of NRC. Such functions must be for the purpose of maintaining or enhancing the standing and prestige or furthering the policies and objectives of NRC. (2)

Generally, such events are hosted and official courtesies extended for— (3)

- Dignitaries and officials of foreign governments, whether hosted in the United States or at meetings abroad by NRC staff who have been authorized to serve as official hosts. (a)
- Senior U.S. Government officials, including members of Congress or their professional staff. (b)
- Dignitaries, senior officials, and members of the professional staff of State, local, and tribal governments. (c)

General Criteria Governing NRC
Official Representation (A) (continued)

- Distinguished and prominent United States citizens, including departing Commissioners or former officials of NRC who have made a substantial contribution to the United States or NRC. On occasion, an official function may be hosted for a private citizen of a foreign nation whose rank, position, function, or stature warrants the extension of official courtesies by the United States Government and NRC. (d)

Official functions hosted by high-level agency officials or their designees may include a ceremonial or social component, provided that the function is for the primary purpose of maintaining or enhancing the standing and prestige or furthering the policies and objectives of NRC. (4)

Representation of a Personal
Nature (B)

The use of ORFs must not be authorized when the activity is solely of a private, personal nature or is not for the purpose of maintaining or enhancing the standing and prestige or furthering the policies and objectives of NRC. (1)

For example, ORFs shall **not** be used— (2)

- To pay for the cost of meals or refreshments for U.S. Government employees in connection with routine interagency or intra-agency working meetings. (a)
- To pay for purely private social events intended primarily for the personal entertainment or benefit of NRC officials and employees, their families, or personal guests. (b)
- To pay for the costs of meals and refreshments solely for the personal staff of a senior NRC official upon that official's retirement from NRC. (c)

Representation of a Personal

Nature (B) (continued)

- To pay for a personal invitation to lunch extended by an NRC official to a foreign national who is a visitor to the United States or who serves on a Washington Embassy staff. (d)

In addition, attention is called to the basic statutory prohibition (5 U.S.C. 5536) against any officer in any branch of public service, or any other person whose salary, pay, or emoluments are provided from appropriated funds, from receiving any additional pay, extra allowance, or compensation in any form whatever unless authorized by law and explicitly stated in the appropriation. (3)

Nature of the Representation (C)

Official representation functions generally consist of dinners, luncheons, cocktail parties, receptions, or similar affairs. These functions may be considered to be official representation only when—

- The function is sponsored in the name of NRC and can be justified as official business of the Commission. (1)
- The function is for the primary purpose of maintaining or enhancing the standing and prestige or furthering the policies and objectives of NRC. (2)

Official Hosts (D)

NRC officials in the following ranks (or in their absence, persons specifically designated) will serve as the official host:

- Commissioners (1)
- Executive Director for Operations (EDO) (2)

Official Hosts (D) (continued)

- Deputy Executive Director for Reactor and Preparedness Programs (3)
- Deputy Executive Director for Materials, Waste, Research, State, Tribal, and Compliance Programs (4)
- Deputy Executive Director for Information Services and Chief Information Officer (5)
- Office Directors (6)
- Regional Administrators (7)

Scale of Representation (E)

The scale of representation is generally governed by the importance attached to the occasion. Functions for top-ranking visitors may generally be in the nature of a reception or a formal dinner. Functions for visitors of lesser rank may generally be in the nature of a small luncheon. (1)

Many activities that could be called "official representation" may involve little or no expenditure of money. (2)

Generally, official representation funds should be used for group representation because funds are not adequate to entertain a great number of persons individually. (3)

Duplication of official representation should be avoided to the extent possible by arranging joint representation functions or by providing a single representation function that will discharge NRC's responsibility, including instances in which visits to more than one location are scheduled. Usually, these arrangements will be made by the OIP's designee. (4)

Items of Chargeable Expense (F)

Items of expense that may be charged to official representation funds consist of those usually associated with or incidental to the immediate function being sponsored. These include but are not necessarily limited to— (1)

- Food and beverages (a)
- Rental fees for use of facilities where the official representation function is conducted (b)
- Catering services (c)
- Tips and gratuities (d)

In addition to items of expenditures chargeable under Sections (F)(1) of this part, limited quantities of mementos may be purchased subject to the following provisions: (2)

- The total expenditure for mementos is generally limited to 15 percent of the NRC's official representation budget per year. Any expenditures in excess of this limit must have advance written approval of the Chairman. (a)
- In accordance with guidelines developed by OIP, the mementos will be distributed by the Commissioners, the EDO, or designated representatives in the name of NRC. (b)

Items of Expense Not Chargeable (G)

Personal expenses of guests, such as traveling expenses and hotel bills, must not be charged to ORFs. (1)

The following types of expenditures are representative of the types of expenses that are **unauthorized**: (2)

Items of Expense Not
Chargeable (G) (continued)

- Hire, purchase, operation, or repair of any motor-propelled, passenger-carrying vehicle, including aircraft (a)
- Membership or dues in any society, club, or association (b)
- Expenses of printing (c)
- Printing of greeting cards (d)
- Expenses for furnishing recreational and entertainment facilities solely for employees of the United States Government and their families (e)
- Most State and local taxes (f)

While the expenses listed above are representative of the types of expenses that are not chargeable to ORFs, this list is not meant to be exhaustive. Questions concerning the appropriateness of representation fund activities should be referred to OIP; any questions regarding certification of funds available for the representation fund should be referred to the Central Allowance Team, Division of Financial Services, Office of the Chief Financial Officer (OCFO). (3)

Prescribed Limits (H)

In the interest of discouraging ostentation and making the most efficient use of the limited funds, the Director of OIP may prescribe dollar limits for the various types of approved official representation activities. These levels will be updated as appropriate.

Participation by NRC Employees (I)

The attendance at official representation functions of NRC employees other than the official host is authorized but must be kept to a minimum and must be limited to key staff personnel whose official duties are directly related to the official interests of the honored guest, or whose attendance is warranted as a means for according proper recognition. (1)

As a general guideline, it is expected that— (2)

- The official host and the number of NRC employees and others should not exceed the number of honored guests in attendance. (a)
- Husbands, wives, or other companions (other than those present in an official capacity) should be in attendance only when proper recognition would not otherwise be afforded the guest of honor. (b)
- The necessity for any exception to Sections (I)(2)(a) and (b) must be explained in Section 13, "Special Instructions," on the NRC Form 30 (which can be accessed from agency desktops via the online forms icon). (c)

The criteria in this section are applicable only to the determination of the expenses chargeable to official representation funds. Occasions may arise when it would be desirable to extend an open invitation to NRC personnel or others to attend official representation functions at their own personal expense, but in no case must their attendance be compulsory. (3)

Part IV Documentation of Expenses

Documentation Procedures

When payment of official representation expenses is made at the time of the function or purchase, the official host shall obtain an itemized receipt for all expenses for OIP to attach to the “Public Voucher for Purchases and Services Other Than Personal” (Standard Form (SF) 1034; which can be accessed from agency desktops via the online forms icon). (1)

OIP shall prepare the SF 1034 for payment of expenses and shall submit it to the Director of the Division of Financial Services (DFS), Office of the Chief Financial Officer (OCFO). Vouchers transmitted for payment must have a copy of the NRC Form 30 attached and the original itemized receipts for all expenditures. OIP shall ensure that the expenditures claimed are in accordance with and appropriate to the authorization granted. (2)

In unusual circumstances in which it is impractical to obtain a receipt, an itemized declaration signed by the official host must be submitted and a notation made on the SF 1034. (3)

Vouchers for authorized official representation expenses must be submitted to DFS within 15 calendar days (when practicable) of the date of the function or purchase. (4)

For expenses incurred through a purchase card, OIP shall certify receipt of goods or services on the applicable receiving report and ensure that the expenditures claimed are in accordance with and appropriate to the authorization granted. OIP should submit the signed receiving report promptly to DFS to ensure payment of the bill. (5)

Documentation Procedures (continued)

Advances of funds for official representation purposes up to \$1,000 may be made when required by special circumstances. An example of a circumstance where an advance may be needed would be the purchase of mementos from a vendor who does not accept Government purchase cards. Another example of the possible necessity for an advance would be the purchase of mementos by another authorized OIP employee because the OIP ORF purchase card holder is unavailable. Advances will be provided in the form of a convenience check. This authority is subject to the conditions that (a) the advance must be accounted for on the SF 1034 and (b) any unused portion of the advance is returned to DFS within 15 calendar days after the date of the function or purchase. (6)

Requests for advances must be approved by the following: (7)

- Designee of the Director of OIP (a)
- Director of OIP (b)
- Funds certifying official (c)
- Administrative Services Center, Division of Administrative Services, Office of Administration, and (d)
- Director of DFS, OCFO (for advances over \$500 up to \$1,000) (e)

Part V Reports

Frequency and Format of Reports

OIP's designee shall submit to the Director of OIP, no later than January 20, April 20, July 20, and October 30, a summary report of all official representation expenses incurred during the preceding quarter. This report will also contain a year-to-date listing of the total amount expended and obligated for all previous quarters of the current fiscal year and an indication of the amount remaining for future obligations within that year. A copy of this report must be forwarded to the Director of the Division of Financial Services, Office of the Chief Financial Officer (OCFO). The report will contain a year-to-date listing of the amount expended and the type of function or expense, as follows:

- Commission-hosted functions (1)
- Staff-hosted functions (2)
- Mementos (3)
- Other activities (4)

Part VI

Inventory of Spirits

An inventory of any spirits (distilled spirits, malts, or wine) on hand will be taken by OIP's designee no later than January 20, April 20, July 20, and October 20. To resolve differences from the previous inventory, the current inventory will include a notation indicating how the stock was used. A copy of the inventory will be retained by OIP's designee and the Secretary of the Commission.