

## CHAPTER 19

### NUCLEAR WASTE FUND

#### 1. INTRODUCTION.

- a. **Purpose.** This chapter establishes the financial, accounting, and budget policies and procedures for civilian and defense nuclear waste activities, as authorized in Public Law 97-425, the Nuclear Waste Policy Act, as amended, referred to hereafter as the Act.
- b. **Applicability.** This chapter applies to all Departmental elements, including the National Nuclear Security Administration, and activities that are funded by the Nuclear Waste Fund (NWF) or the Defense Nuclear Waste Disposal appropriation.
- c. **Background.** The Act established the Office of Civilian Radioactive Waste Management (OCRWM) and assigned it responsibility for the management and disposal of the Nation's spent nuclear fuel and high-level radioactive waste.
  - (1) The Act established the NWF and authorized the Secretary of Energy (Secretary) to enter into contracts with owners or generators of spent nuclear fuel or high-level radioactive waste of domestic origin in return for the payment of all costs associated with the storage, transportation, and disposal of the spent nuclear fuel or high-level radioactive waste. NWF revenues come from fees charged to owners and generators of spent nuclear fuel and high-level radioactive waste.
  - (2) The Defense Nuclear Waste Disposal appropriation was established by Congress in 1993 as an alternative to direct payment by the Department into the NWF for the cost of disposing of spent nuclear fuel and high-level radioactive waste resulting from atomic energy defense activities, in accordance with the full-cost-recovery provisions of the Act.
  - (3) OCRWM shall administer the NWF and the Defense Nuclear Waste Disposal appropriation in accordance with the provisions of the Act; the Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste in Title 10, part 961, of the Code of Federal Regulations; the regulations of the Department of the Treasury (Treasury); and guidance provided by the Office of Management and Budget (OMB) and Congress.

**2. RESPONSIBILITIES.****a. Director of the Office of Civilian Radioactive Waste Management:**

- (1) In coordination with the Department's Chief Financial Officer (CFO), establishes financial management policies, procedures, objectives, and requirements of the Civilian Radioactive Waste Management Program for all Departmental elements;
- (2) Develops estimates for current fiscal year and outyears, as required, of obligations, costs, fees, income, and disbursements and provides data to the CFO;
- (3) Develops staffing and support service cost estimates for OCRWM activities at Headquarters in coordination with the Director, Office of Human Capital Management (HR);
- (4) Develops appropriate plans for repayment of funds for amounts borrowed from the Treasury, in coordination with the CFO;
- (5) Develops borrowing and investment strategies and requirements, including cash flow analyses for the NWF, in coordination with the CFO;
- (6) Develops and submits an annual report to Congress on OCRWM activities and expenditures;
- (7) Directs and monitors the status of the OCRWM-wide approved funding program (AFP);
- (8) Directs, prepares, defends, and consolidates OCRWM budgets, including staffing and program requirements, in coordination with the CFO and HR;
- (9) In coordination with the CFO and the Inspector General, develops requirements for and administers independent financial and compliance audits of OCRWM activities;
- (10) Determines the Defense share of the cost of the waste management system;
- (11) In collaboration with the Office of Environmental Management, establishes a fee payment schedule for disposal of defense high-level radioactive waste;

- (12) Manages the Standard Contract and any other instruments executed for disposal of spent nuclear fuel and/or high-level radioactive waste;
- (13) Conducts program internal financial and compliance reviews of the financial management of OCRWM, including capital equipment, and monitors actual charges to the NWF for equipment and services provided by HR;
- (14) Administers the Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste.

**b. Chief Financial Officer:**

- (1) In coordination with OCRWM, develops and maintains financial policy and operating procedures for OCRWM activities and monitors the financial activity of the NWF and the Defense Nuclear Waste Disposal appropriation;
- (2) Coordinates fiscal policy matters with OCRWM and Treasury;
- (3) Provides financial input to OCRWM for the annual report to Congress on program activities and expenditures;
- (4) In coordination with OCRWM, performs all accounting activities related to the Civilian Radioactive Waste Management Program; maintains official accounting records; and maintains liaison with Treasury and the Government Accountability Office (GAO) on operational accounting matters;
- (5) Provides monthly accounting reports on the status of nuclear waste activities to OCRWM and to field elements;
- (6) Prepares annual financial statements for audit by a certified public accounting firm, in accordance with requirements of the Chief Financial Officers Act;
- (7) Ensures that hours worked and charged to OCRWM activities by employees are in accordance with the policy of this chapter and do not exceed the full-time equivalents (FTEs) authorized.

**c. Director, Office of Human Capital Management:**

- (1) Provides administrative support services to OCRWM on a reimbursable basis and negotiates method by which HR support-services costs at Headquarters are allocated to OCRWM;

- (2) Prepares the annual Headquarters operating plan for those support services provided and allocated to OCRWM;
- (3) Estimates OCRWM's quarterly obligations for support services at Headquarters and provides estimates and actual costs to the CFO for distribution in the Headquarters accounting system;
- (4) Ensures that hours worked and charged to OCRWM activities by employees are in accordance with the policy of this chapter and do not exceed the FTEs authorized.

**d. Director, Office of Procurement and Assistance Management:**

Develops and maintains Departmental personal property policies, standards and procedures, and provides contract-related business management advice to OCRWM.

**e. Field Elements:**

- (1) Performs all financial activities related to their involvement with OCRWM and submits appropriate transactions through the DOE accounting system;
- (2) Reports all OCRWM disbursement amounts to the CFO;
- (3) Provides financial reports to OCRWM, as necessary;
- (4) Requests necessary changes in Approved Funding Programs (AFPs) and allotments from OCRWM;
- (5) Assures the effective management of Government personal property acquired for, or in use by, OCRWM, in accordance with applicable laws, regulations, and this chapter;
- (6) Provides monthly and annual projections of obligations, costs, and disbursements to OCRWM no later than 10 calendar days after the end of each calendar quarter;
- (7) Ensures that hours worked and charged to OCRWM activities by employees are in accordance with the policy of this chapter and do not exceed the FTEs authorized;
- (8) Provides administrative support services to OCRWM on a reimbursable basis.

**f. Assistant Secretary for Environmental Management :**

In collaboration with OCRWM, establishes a fee payment schedule for defense high-level radioactive waste and makes payments into the NWF in accordance with that schedule.

**g. Inspector General:**

Coordinates with OCRWM and the CFO on developing requirements for, and administering, independent audits of OCRWM activities.

**h. General Counsel:**

Ensures that hours worked and charged to OCRWM activities by employees are in accordance with the policy of this chapter and do not exceed the FTEs authorized.

**i. Assistant Secretary for Congressional and Intergovernmental Affairs:**

Ensures that hours worked and charged to OCRWM activities by employees are in accordance with the policy of this chapter and do not exceed the FTEs authorized.

**j. Assistant Secretary for Environment, Safety and Health:** Ensures that hours worked and charged to OCRWM activities by employees are in accordance with the policy of this chapter and do not exceed the FTEs authorized.

**3. BUDGETING AND FINANCING.**

- a. Budgeting.** Although the Act prescribed triennial budgets, appropriations from the NWF have been provided on an annual basis. The NWF is excluded from apportionment under specific terms of the Act and is subject to the DOE administrative control of funds systems and OMB procedures for budget execution reference in OMB Circular A-11, Preparation, Submission, and Execution of the Budget. In coordination with OCRWM, the CFO will issue allotments and AFPs to the Field Elements involved. Allotments issued for the NWF provide obligational authority only. The Defense Nuclear Waste Disposal appropriation is appropriated and apportioned annually and is subject to OMB and DOE administrative control of funds procedures. For additional information, see the DOE budget directives.

- b. Financing.** OCRWM's activities are financed by the owners and generators of spent nuclear fuel and high-level radioactive waste. The purchasers execute a contract or other appropriate instrument with DOE that specifies the fee charged and the timing and method of payment.
- (1) Nuclear Waste Fund.** An annual appropriation from the NWF is required to authorize the commitment and obligation of funds to carry out the purposes of the Act. Such funds shall remain available until expended.
- (a)** Utilities will pay a one-time fee for domestic civilian spent nuclear fuel resulting from electricity generated and sold prior to April 7, 1983. This fee will be equivalent to an average charge of 1 mill per net kilowatt hour of electricity generated by all such fuel, and will be levied on each kilogram of heavy metal. For electricity generated and sold by a civilian nuclear power reactor on or after April 7, 1983, there will be a fee of 1 mill per net kilowatt hour, payable quarterly in accordance with the contract. The Secretary of Energy will propose an adjustment to Congress whenever the current fee is determined to be inadequate or excessive to meet the total cost of the waste disposal system. Congress may approve or disapprove the proposed adjustment.
- (b)** Fees paid by other owners or generators of spent nuclear fuel or high-level radioactive waste will be equivalent to those paid by nuclear utilities.
- (c)** Interest earned on investments and late or underpayment fee charges will be deposited into the NWF.
- (d)** In the event funds in the NWF are insufficient to meet program needs, the NWF may borrow from the General Fund of the Treasury to support the program to the extent provided in annual appropriation acts.
- (2) Defense Nuclear Waste Disposal Appropriation.** The Defense Nuclear Waste Disposal appropriation was established by Congress in Fiscal Year (FY) 1993 as an alternative to direct payment by the Department into the Nuclear Waste Fund for the cost of disposing of spent nuclear fuel and high-level radioactive waste resulting from atomic energy defense activities, in accordance with the full-cost-recovery provisions of the Act.

#### 4. ADMINISTRATIVE COST.

##### a. Definitions.

- (1) **Program Direct Personnel.** All Federal employees assigned or detailed to OCRWM who spend 100 percent of their time on OCRWM activities.
- (2) **Program Support Personnel.** Federal employees at Headquarters or DOE field elements who perform activities in direct support of OCRWM's mission, functions, organizations, and systems but who are not assigned or detailed to OCRWM, and whose work directly benefits OCRWM. Employees in this category may devote 100 percent of their time to the support of OCRWM. Excluded are those Federal personnel who may perform some OCRWM-related work, but who do so primarily as part of larger institutional responsibilities of the Department. Also excluded are personnel involved in functions principally associated with a DOE program other than OCRWM.
- (3) **Administrative Costs.** Include salaries, travel, training, and fringe benefits of Federal employees. They also include administrative support costs, such as costs associated with capital equipment not related to construction, printing and reproduction, public information, rents and utilities, communication services, security investigations, supplies and materials, and transportation and travel.

##### b. Personnel.

- (1) Program direct personnel are identified in the payroll system by the specified nuclear waste appropriation and program values. All program direct employee personnel services costs (salary, leave, and benefits) shall be charged directly to OCRWM.
- (2) Program support costs (salary, leave, and benefits) for those employees who spend 100 percent of their time in support of OCRWM activities and all other program support employees personal services costs (that is, salary, leave, and benefits) shall also be charged directly to OCRWM.
- (3) The cumulative number of hours worked and charged to OCRWM each fiscal year may not exceed the FTEs authorized.

**c. Administrative Support Costs.**

- (1)** Administrative support costs are calculated from either actual expenditures in support of the program or a combination of a percentage of total costs and actual or prorated costs on the basis of FTEs authorized for nuclear waste activities.
- (2)** When applicable, administrative costs will be charged to and paid directly by OCRWM. As a minimum, support costs provided to OCRWM on a reimbursable basis will be billed monthly, and labor costs will be reimbursed on a biweekly basis.

  - (a)** Headquarters support costs will be processed under the Departmental Administration appropriation and reimbursed annually by OCRWM. OCRWM's estimated quarterly support costs will be obligated at the beginning of each quarter. HR will develop a percentage to distribute OCRWM's portion of the monthly support cost disbursements paid by the Departmental Administration appropriation. HR and the CFO shall compare the estimated obligations, costs, and disbursements to actual amounts and adjust them quarterly, at a minimum, and at yearend.
  - (b)** Field elements will compute support costs from actual expenditures in support of the program or prorated costs based on the number of FTEs assigned to the nuclear waste activities.
- (3)** Costs for security investigations required for the performance of activities supporting OCRWM will be charged to OCRWM based on the numbers and types of security investigations performed (i.e., full background or limited background) for the applicable fiscal year.

**5. ACCOUNTING.**

- a. Administrative Control of Funds.** The CFO and the allottees shall ensure that disbursements and obligations of OCRWM funds do not exceed available disbursement targets and obligational authority.
- b. Revenue Recognition.** All income is recognized as revenue to the extent of costs incurred. OCRWM income includes fees from utilities and Defense Nuclear Waste Disposal activities, as well as interest income from accounts receivable and investment income.



**c. Collections.**

- (1) The time of remittance will be based on the contracts executed between the purchasers and DOE. Purchasers will not be billed for payments due to the NWF unless the payment is either incorrect or not received on time. An account receivable will be established quarterly to reflect the estimated amount due from each purchaser.
- (2) Fees for disposal will be submitted to Headquarters via the Treasury Cash Link System or the Federal Reserve's Automated Clearing House System using agency location code 89-00-0001.
- (3) All payments shall be made no later than the last business day of the month following each assigned 3-month period, which DOE provides to the purchaser.
- (4) The accounts receivable will be adjusted to reflect actual payment. A bill shall be prepared for all delinquent accounts and submitted to the purchaser promptly. In addition, the bill will specify the interest payable in accordance with the terms of the contract.

**d. Plant and Capital Equipment.**

- (1) Separate identification of OCRWM capital equipment is required. This includes tagging and tracking in both the property management and accounting systems.
- (2) **Transfers of Property and Equipment.**
  - (a) Capital Equipment Transfer Vouchers, DOE F 2240.7, shall be coordinated with the OCRWM Capital Equipment Coordinator, prior to submission for financial processing.
  - (b) Any equipment items that are acquired with funds other than those of the NWF or the Defense Nuclear Waste Disposal appropriation and are subsequently dedicated to nuclear waste on a permanent basis should be transferred to Fund Type 57. If required, OCRWM will provide funding and advise allottee to obligate and disburse the funds for the net book value of the equipment transferred.
- (3) **Sale and Disposal of OCRWM Equipment.** Property and equipment excess to the possessor's needs shall first be reused, if needed, within OCRWM. After equipment has been screened for reuse within OCRWM, it shall be offered for sale to other DOE and government programs at fair market value. Any remaining

equipment may be sold by program contractors at fair market value through auction, sale to a commercial vendor, or repurchased by the original vendor. All equipment sales proceeds, less reasonable selling costs, shall be returned to OCRWM.

- (4) **Proceeds from the Sale of Equipment.** Proceeds from the sale of equipment owned by OCRWM must be returned to the NWF rather than submitted to Treasury.
6. **BORROWING AND REPAYMENT.** The Act authorizes the Secretary to borrow from the Treasury if at any time moneys available in the NWF are insufficient to meet disbursement requirements. These borrowings shall not exceed amounts provided in appropriation acts and must be repaid into the General Fund of the Treasury, with interest, from the date the appropriations are disbursed until the date of repayment. Funds borrowed from the Treasury cannot be used for investment purposes.
7. **CASH MANAGEMENT.** Financial transactions involving OCRWM activities shall be accomplished in accordance with Nuclear Waste Fund Cash Management Procedures to ensure availability of cash to meet program requirements and minimize excess cash balances.
8. **REPORTS AND AUDITS.**
  - a. **Reports.**
    - (1) The DOE accounting system provides all financial information used for report of NWF activities.
    - (2) In addition to the reports required by the Treasury and OMB, the OCRWM Office of Financial Management prepares the following reports for:
      - (a) **Utility Companies.** A Quarterly Statement of Payments Made to the Nuclear Waste Fund provides all purchasers of nuclear waste disposal services a cumulative statement of purchasers' payments and liabilities to the fund.
      - (b) **Department of the Treasury.** A Special Funds Report is annually provided to Treasury for inclusion into their annual report to Congress on the status of the NWF. This Special Funds Report shall show receipts, outlays, and equity of the NWF.
      - (c) **Program Office.** A Nuclear Waste Fund Statement of Activity and Statement of Assets and Liabilities reflecting the

financial status of the NWF is available monthly from the DOE I-MANAGE Data Warehouse.

- (3) The Act requires OCRWM to report to Congress annually on Program activities and expenditures.
  - (4) The CFO reviews external reports and provides financial input as necessary. Additional external reports are developed by OCRWM as requested.
- b. Audits.** In accordance with section 304(d) of the Act, as amended, an annual audit of OCRWM will be made by the Comptroller General and DOE shall make available at that time all books, records, accounts, and materials as deemed necessary. In addition, OCRWM shall contract with a certified public accounting firm for an annual financial and compliance audit in coordination with the Inspector General on audit scope, deliverables, and reporting requirements. The Inspector General will also perform financial and performance audits of OCRWM activities in accordance with Public Law 95-452, the Inspector General Act of 1978, as amended.