

August 12, 2002

MEMORANDUM TO: Richard R. Rough, Director
Division of Planning, Budget, and Analysis
Office of the Chief Financial Officer

FROM: Janice Dunn Lee, Director /RA/
Office of International Programs

SUBJECT: REVISION TO MANAGEMENT DIRECTIVE AND
HANDBOOK 4.2, "ADMINISTRATIVE CONTROL OF FUNDS"

This responds to your memorandum dated July 19, 2002 requesting comments on a proposed funds control policy on NRC international agreements which involve funding that is to be included in Part VI, "Commitment and Obligation of Funds," of Management Directive and Handbook 4.2, "Administrative Control of Funds." My staff has reviewed your proposed addition and has the following comments.

In several places, the draft makes reference to NRC obligating officials authorized to sign international agreements. While we have specifically designated NRC obligating officials for financial documents such as contracts, interagency agreements, etc. it is not apparent that we have designated NRC obligating officials authorized to sign international agreements. If this proposed funds control policy is adopted, we recommend formal designation of such officials.

We also suggest that the type of international agreement covered by the proposed procedure be explicitly defined (e.g., that it must involve funding). In addition, Item 1. , "Agreements with Conditional Funding" states that "NRC will issue formal notice or amendment to the agreement when funds are being obligated." We believe that it would simplify the process while having the same effect to substitute the word "certification" for "availability of funds."

More importantly, though, OIP is aware of widespread misunderstanding/lack of knowledge within the involved NRC staff about this and other steps the CFO is taking to formalize funds control policy and procedures with respect to international agreements. We support the RES suggestion that a meeting be scheduled as soon as possible with all affected offices to formally advise on the issues which have developed/been discovered in this area, the agency's decision that changes must be made, and the CFO's intent to work with affected offices toward realistic solutions that meet all of our needs. Further action should perhaps await that meeting.

cc: D. Mahdi
S. Parks

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S. Parks

*See attached for previous concurrences

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