

## U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)

<b>MD 5.4                      OFFICIAL REPRESENTATION EXPENSES                      DT-17-131</b>	
<i>Volume 5</i>	Governmental Relations and Public Affairs
<i>Approved By:</i>	Allison M. Macfarlane, Chairman
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<i>Issuing Office:</i>	Office of International Programs International Operations Branch
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<p><b>EXECUTIVE SUMMARY</b></p> <p>Directive and Handbook 5.4, “Official Representation Expenses,” are being revised to update organizational changes and authorities and to change procedures to more effectively manage the Commission’s Representation Fund. This revision—</p> <ul style="list-style-type: none"> <li>• Adds responsibilities for the Office of Congressional Affairs,</li> <li>• Removes limitation on expenditures for mementos, and</li> <li>• Eliminates the requirement to maintain a supply and inventory of spirits.</li> </ul>	

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## **I. POLICY**

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 Management Directive (MD) 5.4. 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. These functions must be for the purpose of maintaining or enhancing the standing and prestige or furthering the policies and objectives of NRC.

## **II. OBJECTIVES**

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 U.S. Government.

## **III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY**

### **A. Chairman**

Has approval authority for official representation activities and expenditures of funds like those noted in Section III.F.1 of the handbook to this directive.

### **B. 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 Corporate Management (DEDCM); Office Directors; and Regional Administrators**

1. After determining that the official representation is necessary and complies with the policies and criteria established by MD 5.4, notify the Office of International

Programs' (OIP) designee of the function at least 1 week before it takes place and provide sufficient information for the completion of NRC Form 30, "Request for Administrative Services," in the NRC Forms Library on SharePoint.

2. May not incur obligations in excess of the amount certified on NRC Form 30 without a revised funds certification and approval in advance. Refer to Part VI.D.1 of Handbook 4.2, "Administrative Control of Funds," for exceptions to this statement.
3. 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 first be reviewed by OIP and then approved by the Office of the Chief Financial Officer (OCFO). These adjustments must be explained in detail on a page attached to the voucher and receipts before payment is processed by the OCFO.

**C. Director, Office of International Programs (OIP)**

1. Manages the funds appropriated for official representation expenses.
2. Authorizes all official representation functions in advance.
3. Approves prescribed dollar limits for all official representation items of chargeable expense specified in Section III of the handbook to this directive.
4. Approves NRC employees' attendance at official representation events.

**D. Designee of the Director, OIP**

1. Reviews expenditures for all official representation functions and purchases for compliance with the policies and criteria established by MD 5.4.
2. Approves and submits completed NRC Form 30 to the Financial Operations Branch, Division of the Controller, OCFO, for certification of funds.
3. Prepares and submits to the Director of OIP a quarterly expense report as required by Section V of the handbook to this directive.
4. In coordination with OCFO, recommends to the Director of OIP any limits required for various types of official representation expenses.

**E. Director, Office of Congressional Affairs (OCA)**

1. Purchases mementos on behalf of the Commission, after OIP requests and receives funds certified by OCFO, for Commissioners' use at official events.

2. 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 and presented.

**F. Chief Financial Officer (CFO)**

Issues allotments for NRC's appropriations.

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

1. Serves as the allottee for NRC.
2. Issues allocations to the NRC Central Allowance under which OIP funds are provided for official representation activities.

**H. Division of the Controller, OCFO**

1. Serves as allowance holder for the NRC Central Allowance under which OIP ORFs are provided.
2. Records obligations in the official agency accounting system for authorized official representation expenses.
3. Maintains the official obligation and expenditure records for ORFs.
4. Processes requests using Standard Form (SF) 1034, "Public Voucher for Purchases and Services Other Than Personal," on the General Services Administration Forms Library, available at <http://www.gsa.gov/portal/forms/download/115462>, filed for reimbursement of approved expenses incurred for authorized official representation functions.

**I. Chief, Financial Operations Branch, OCFO**

1. Performs periodic reviews, in conjunction with OIP's designee, of the official representation process to ensure compliance with MD 5.4.
2. Certifies the availability of funds for official representation activities.
3. Maintains a record of commitments and obligations of funds.

**IV. APPLICABILITY**

All NRC employees must follow the policy and guidance in MD 5.4.

## V. DIRECTIVE HANDBOOK

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 the handbook to this directive and Handbook 4.2, "Administrative Control of Funds."

## VI. REFERENCES

### ***Nuclear Regulatory Commission***

Management Directive—

4.2, "Administrative Control of Funds."

11.1, "NRC Acquisition of Supplies and Services."

NRC Forms Library on SharePoint, at <http://fusion.nrc.gov/nrcformsportal/default.aspx>.

### ***Other Documents***

Title 48 of the *Code of Federal Regulations*, Federal Acquisition Regulations System—

Part 13, Simplified Acquisition Procedures.

Part 29, Taxes.

General Services Administration (GSA) Forms Library, at  
<http://www.gsa.gov/portal/forms/type/TOP>.

*Principles of Federal Appropriations Law*, Third Edition, Volume I, Chapter 4,  
January 2004 (GAO-04-261SP).

## U.S. NUCLEAR REGULATORY COMMISSION DIRECTIVE HANDBOOK (DH)

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## **I. ALLOTMENT OF FUNDS**

### **A. Official Designated to Manage NRC Official Representation Funds**

The Director of the Office of International Programs (OIP) manages the U.S. Nuclear Regulatory Commission's funds that cover all official representation expenses.

### **B. Issuing of Allowance**

1. 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 Controller, Division of the Controller (DOC), OCFO, as the allowance holder of the Financial Operations Branch, DOC, OCFO (hereinafter referred to as "FOB"), under which OIP is provided funds for official representation activities.
2. If 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.

## **II. APPROVAL AND AUTHORIZATION OF OFFICIAL REPRESENTATION EXPENSES**

### **A. Requests for Authorization**

1. 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; the Deputy Executive Director for Corporate Management; an office director or regional administrator; the director, or designee, of the office proposing the official representation function or, as applicable, a higher official; or the Director of OIP.
2. OIP will prepare and submit for signature requests using NRC Form 30, "Request for Administrative Services," available in the NRC Forms Library on SharePoint.

### **B. Review of Requests**

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

### **C. Authorization of Requests**

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

### **D. Funds Certification**

A funds certifying official designated by the Chief of FOB will certify funds availability in advance for official representation expenses.

### **E. Necessity for Use of an Order for Supplies or Services**

Functions or purchases that exceed the micropurchase threshold require that the Division of Contracts, Office of Administration, issue Optional Form 347 (OF347), "Order for Supplies and Services," in the General Services Administration (GSA) Forms Library, available at <http://www.gsa.gov/portal/forms/type/TOP>, in accordance with MD 11.1, "NRC Acquisition of Supplies and Services." Exceptions require the approval of the Controller, DOC, OCFO.



**F. Variance from Established Procedures**

Although the advance planning usually inherent in representation functions should allow the procedures prescribed in Sections II.A through E of this handbook to be followed, emergency cases arising from unforeseen circumstances may make it necessary to bypass advance submission of NRC Form 30. In these cases, the request, authorization, and certification of funds must be formalized within 2 working days after the official representation function. By completing NRC Form 30, OIP establishes a written record of the request and approval and sets 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.

**III. CRITERIA UNDER WHICH EXPENSES MAY BE CHARGED****A. General Criteria Governing NRC Official Representation**

1. 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 must be accounted for and charged to the official representation allowance that has been established for this purpose.
2. 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. These functions must be for the purpose of maintaining or enhancing the standing and prestige or furthering the policies and objectives of NRC.
3. Generally, these events are hosted and official courtesies extended for—
  - (a) Dignitaries and officials of foreign governments, whether hosted in the United States or at meetings abroad by NRC employees who have been authorized to serve as official hosts.
  - (b) Senior U.S. Government officials, including members of Congress or their professional staff.
  - (c) Dignitaries, senior officials, and members of the professional staff of State, local, and tribal governments.
  - (d) Distinguished and prominent U.S. 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 U.S. Government and NRC.

4. 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.

#### **B. Representation of a Personal Nature**

1. 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.
2. For example, ORFs must not be used to—
  - (a) Pay for the cost of meals or refreshments for U.S. Government employees in connection with routine interagency or intraagency working meetings.
  - (b) Pay for purely private social events intended primarily for the personal entertainment or benefit of NRC officials and employees, their families, or personal guests.
  - (c) 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.
  - (d) 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.
3. In addition, attention is called to the basic statutory prohibition 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 whatsoever unless authorized by law and explicitly stated in the appropriation.

#### **C. Nature of the Representation**

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—

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

**D. Official Hosts**

1. NRC officials in the following ranks (or in their absence, persons specifically designated) will serve as the official host:
  - (a) Commissioners;
  - (b) Executive Director for Operations;
  - (c) Deputy Executive Director for Reactor and Preparedness Programs;
  - (d) Deputy Executive Director for Materials, Waste, Research, State, Tribal, and Compliance Programs;
  - (e) Deputy Executive Director for Corporate Management;
  - (f) Office directors or deputy office directors; or
  - (g) Regional administrators.
2. Exceptions to these official ranks may be considered on a case-by-case basis. An example may be permitting a division director to host presidents of Native American tribes if the office director or deputy director cannot participate in hosting the event, and rescheduling the event is not practical.

**E. Scale of Representation**

1. 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.
2. Many activities that can be called "official representation" may involve little or no expenditure of money.
3. Generally, official representation funds should be used for group representation because funds are not adequate to entertain a great number of persons individually.
4. 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. These arrangements will usually be made by OIP's designee.

**F. Items of Chargeable Expense**

1. 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—
  - (a) Food and beverages,
  - (b) Rental fees for use of facilities where the official representation function is conducted,
  - (c) Catering services, and
  - (d) Tips and gratuities.
2. In addition to items of expenditures chargeable under Section III.F.1 of this handbook, limited quantities of mementos may be purchased.
3. In accordance with guidelines developed by OIP, the mementos will be presented by the Commissioners or designated representatives in the name of NRC.

**G. Items of Expense Not Chargeable**

1. Personal expenses of guests, like traveling expenses and hotel bills, must not be charged to ORFs.
2. The following types of expenditures are representative of the types of expenses that are unauthorized:
  - (a) Hire, purchase, operation, or repair of any motor-propelled, passenger-carrying vehicle, including aircraft;
  - (b) Membership or dues in any society, club, or association;
  - (c) Printing expenses, including printing of greeting cards;
  - (d) Expenses for furnishing recreational and entertainment facilities solely for employees of the U.S. Government and their families; and
  - (e) Most State and local taxes.
3. 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 FOB.

**H. Prescribed Limits**

To discourage ostentation and make 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.

**I. Participation by NRC Employees**

1. Attendance at official representation functions by NRC employees other than the official host is authorized but must be kept to a minimum. The attendance 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 to accord proper recognition.
2. As a general guideline, it is expected that—
  - (a) The official host and the number of NRC employees and others should not exceed the number of honored guests in attendance.
  - (b) Husbands, wives, or other companions (other than those present in an official capacity) should attend only when proper recognition is otherwise not afforded the guest of honor.
  - (c) The necessity for any exception to Sections III.I.2.(a) and (b) of this handbook must be explained on NRC Form 30 in Section 13, "Special Instructions."
3. The criteria in this section are applicable only to determine the expenses chargeable to official representation funds. Occasions may arise when it is 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 is their attendance compulsory.

**IV. PROCEDURE TO DOCUMENT EXPENSES**

- A. When payment of official representation expenses is made at the time of the function or purchase, the official host obtains an itemized receipt for all expenses for OIP to attach to Standard Form 1034 (SF1034), "Public Voucher for Purchases and Services Other Than Personal," in the GSA Forms Library, available at <http://www.gsa.gov/portal/forms/download/115462>.
- B. OIP prepares SF1034 for payment of expenses and submits it to FOB. Vouchers transmitted for payment must have a copy of NRC Form 30 attached and the original itemized receipts for all expenditures. OIP ensures that the expenditures claimed are in accordance with and appropriate to the authorization granted.

- C. In unusual circumstances where it is impractical to obtain a receipt, an itemized declaration signed by the official host must be submitted and a notation made on SF1034.
- D. Vouchers for authorized official representation expenses must be submitted to FOB within 15 calendar days (when practicable) of the date of the function or purchase.
- E. For expenses incurred through a purchase card, OIP certifies receipt of goods or services on the applicable receiving report and ensures that the expenditures claimed are in accordance with and appropriate to the authorization granted. OIP should submit the signed receiving report promptly to FOB to ensure payment of the bill.

## **V. 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 Commission and to the Controller, DOC, OCFO. The report will contain a year-to-date listing of the amount expended and the following type of function or expense: Commission-hosted function, staff-hosted function, memento, or other activity.