



# Audit of the U.S. Nuclear Regulatory Commission's Permanent Change of Station Program

**OIG 22-A-05**  
**January 19, 2022**



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## MEMORANDUM

**DATE:** January 19, 2022

**TO:** Daniel H. Dorman  
Executive Director for Operations

Cherish K. Johnson  
Chief Financial Officer

**FROM:** Eric Rivera */RA/*  
Acting Assistant Inspector General for Audits

**SUBJECT:** AUDIT OF THE NRC'S PERMANENT CHANGE OF STATION  
PROGRAM (OIG 22-A-05)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of the NRC's Permanent Change of Station Program*.

The report presents the results of the subject audit. Following the January 6, 2022, exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendation(s) within 30 days of the date of this memorandum. Actions taken or planned are subject to OIG followup as stated in Management Directive 6.1.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Terri Cooper, Team Leader, at (301) 415-5965.

Attachment: As stated



# Results in Brief

## Why We Did This Review

A federal employee is eligible for subsistence and transportation allowances for permanent change of station (PCS) travel if an agency specifically authorizes relocation expenses under the Federal Travel Regulation (FTR). In addition to subsistence and transportation allowances for PCS travel, 5 Code of Federal Regulations (CFR) Section 575.206 establishes that an authorized agency official retains sole and exclusive discretion to approve a relocation incentive for an employee hired in one of the positions that was difficult to fill.

The Office of the Chief Financial Officer (OCFO) provides Nuclear Regulatory Commission (NRC) employees with the necessary guidance to relocate to a permanent official duty station, and to claim reimbursement for the allowable expenses. The Office of the Chief Human Capital Officer (OCHCO) provides the policies and procedures for the NRC's use of relocation incentives.

The audit objective was to determine whether the NRC has established and implemented an effective system of internal control over the permanent change of station program.

## *Audit of the NRC's Permanent Change of Station Program*

OIG 22-A-05

January 19, 2022

## What We Found

The NRC has established and implemented an adequate system of internal control over the permanent change of station program. However, opportunities for improving its effectiveness exist. Specifically, the NRC's policies and procedures for relocation allowances and incentives need to be updated to reflect current federal guidance.

Federal regulations require the NRC to create internal policies governing the change of station program, and federal guidance highlights the importance of documenting internal controls. While the NRC has developed relocation allowance and incentive guidance, internal management of the program needs improvement. This occurred because the current NRC policies do not fully reflect federal guidance or the NRC's current practices; management has not reviewed these policies, procedures, and control activities for continued relevance and effectiveness; and, certain relocation program duties are not segregated. The current policies can lead to increased risk of program mismanagement.

## What We Recommend

This report makes four recommendations to improve the effectiveness of the NRC's internal control system over the permanent change of station program. These recommendations include reviewing guidance periodically and updating guidance to comply with federal guidance, to include current practices, and to include a supervisory review of reconciliation practices.

# TABLE OF CONTENTS

|  |     |
|--|-----|
| <u>ABBREVIATIONS AND ACRONYMS</u> .....              | iii |
| I. <u>BACKGROUND</u> .....                           | 1   |
| II. <u>OBJECTIVE</u> .....                           | 5   |
| III. <u>FINDING</u> .....                            | 5   |
| • <u>RELOCATION POLICY NEEDS TO BE UPDATED</u> ..... | 5   |
| • <u>RECOMMENDATIONS</u> .....                       | 9   |
| IV. <u>NRC COMMENTS</u> .....                        | 10  |
| <br><b>APPENDICES</b>                                |     |
| A. <u>OBJECTIVE, SCOPE, AND METHODOLOGY</u> .....    | 11  |
| B. <u>FTR REQUIREMENT CHART</u> .....                | 13  |
| <br><u>TO REPORT FRAUD, WASTE, OR ABUSE</u> .....    | 21  |
| <br><u>COMMENTS AND SUGGESTIONS</u> .....            | 21  |

## ABBREVIATIONS AND ACRONYMS

|             |  |
|-------------|--|
| ARC         | Administrative Resource Center   |
| CFR         | Code of Federal Regulations  |
| FAIMIS      | Financial Accounting and Integrated Management Information System      |
| FEPCA PANEL | Federal Employees Pay Comparability Act Senior Management Review Panel |
| FTR         | Federal Travel Regulation  |
| FY          | Fiscal Year  |
| GAO         | Government Accountability Office                                       |
| HHG         | Household Goods  |
| MD          | Management Directive   |
| MEA         | Miscellaneous Expenses Allowance                                       |
| NRC         | Nuclear Regulatory Commission  |
| OCFO        | Office of the Chief Financial Officer                                  |
| OCHCO       | Office of the Chief Human Capital Officer                              |
| OPM         | Office of Personnel Management   |
| PBP&E       | Professional Books, Papers, and Equipment                              |
| PCS         | Permanent Change of Station  |
| POV         | Privately Owned Vehicle  |
| RSC         | Relocation Services Company  |
| TQSE        | Temporary Quarters Subsistence Expense                                 |

# I. BACKGROUND

## **Permanent Change of Station and Federal Requirements**

A Permanent Change of Station (PCS) is an assignment of a new appointee to an official station, or the transfer of an employee from one official station to another, on a permanent basis. In addition to PCS benefits and allowances, an employee relocating from one official station to another may be considered and approved, as appropriate, for a relocation incentive.

### **Relocation Allowances**

A federal employee is eligible for subsistence and transportation allowances for PCS travel if an agency specifically authorizes relocation expenses under the Federal Travel Regulation (FTR). The FTR implements statutory requirements and Executive Branch policies for travel by federal civilian employees and others authorized to travel at the government's expense. FTR Part 302-1, Subpart A, states that federal employees are generally eligible for relocation expense allowances if they are a new appointee appointed to their first duty station, or an employee transferring in the interest of the government from one agency or duty station to another for permanent duty, and the new duty station is at least 50 miles from the previous duty station.

### **Relocation Incentives**

In addition to subsistence and transportation allowances for PCS travel, 5 Code of Federal Regulations (CFR) Section 575.206 establishes that an authorized agency official retains sole and exclusive discretion, subject only to Office of Personnel Management (OPM) review and oversight, to: (1) determine when a position is likely to be difficult to fill; (2) approve a relocation incentive for an employee hired in one of the positions that was difficult to fill; and, (3) establish criteria for determining the amount of a relocation incentive and the length of a service period.

### **Involved NRC Offices**

The Office of the Chief Financial Officer (OCFO) manages the NRC's travel program, including developing, maintaining, and interpreting travel policies. In addition, the OCFO develops procedures, and provides temporary duty travel and change of station or relocation travel services. The OCFO uses Management Directive (MD) 14.2, *Relocation*

*Allowances*, to provide NRC employees with the necessary guidance to relocate to a permanent official duty station, and to claim reimbursement for the allowable expenses.

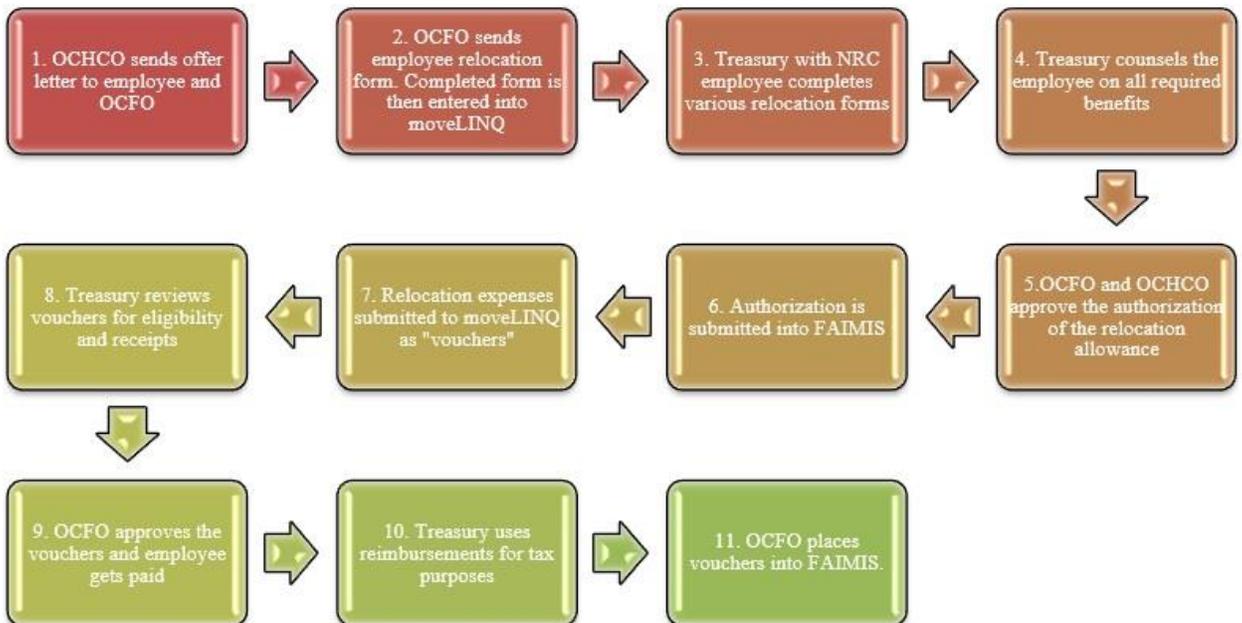
The Office of the Chief Human Capital Officer (OCHCO) develops, implements, interprets, and evaluates incentive program parameters and guidance. The OCHCO uses MD 10.51, *Recruitment, Relocation, and Retention Incentives*, to provide the policies and procedures for the NRC's use of relocation incentives. The OCHCO also ensures that economic disincentives associated with relocation are not barriers to the staffing of agency positions if it is determined that, in the absence of a relocation incentive, it is likely to be difficult to fill the position with a suitable candidate.

NRC offices determine whether relocation benefits and allowances should be offered and approve relocation travel vouchers for employees in their offices or regions. These NRC offices can also recommend payment of relocation incentives, increase or reduce incentives, and terminate incentives for employees within their organizations.

### Steps Involved in the Relocation Allowance Process

There are 11 steps in the relocation allowance process. These steps are completed by the relocating employee, the OCHCO, the OCFO, and the U.S. Department of Treasury's Administrative Resource Center (ARC). The NRC changed its process in 2019 to begin

Figure 1: Steps of Relocation Allowance



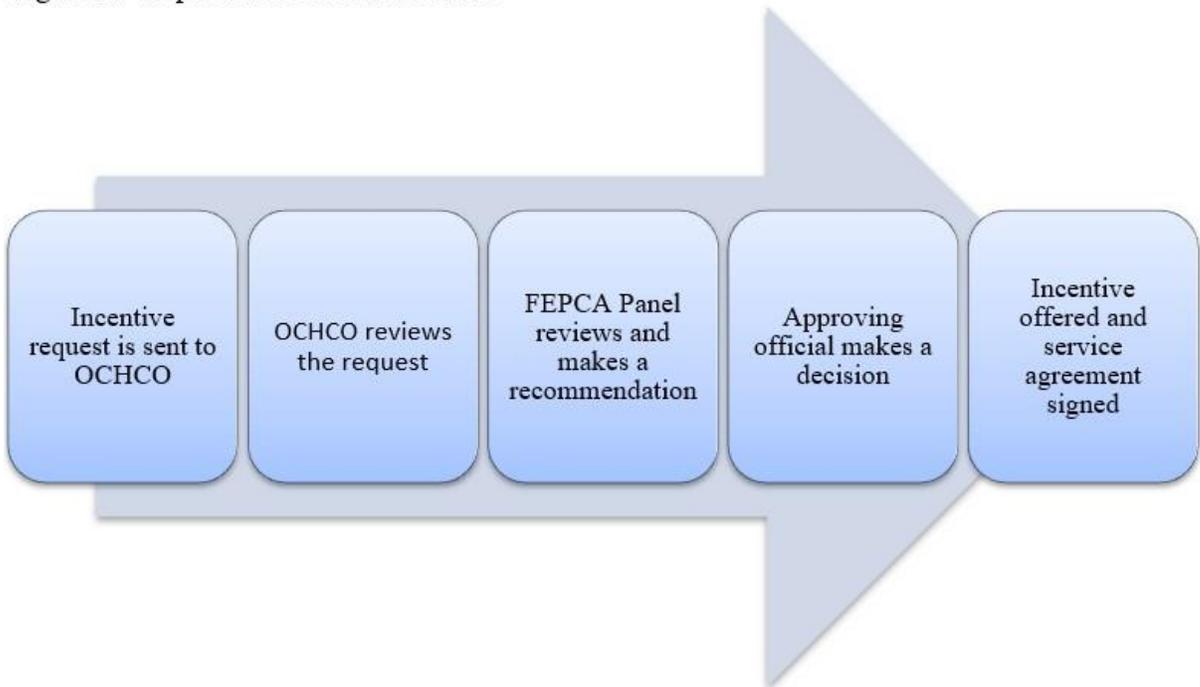
Source: OIG Created

using the ARC and its moveLINQ<sup>1</sup> system to process relocation allowances. The OCFO manually updates the Financial Accounting and Integrated Management Information System (FAIMIS)<sup>2</sup> to update financial information related to relocation allowances. See Figure 1 for a flowchart of the process.

## Steps in the Process of Relocation Incentive

There are five steps regarding relocation incentives. These steps are completed by the relocating employee's office, the OCHCO, the OCFO, the Federal Employees Pay Comparability Act Senior Management Review Panel (FEPCA Panel), and the approving official which is either the NRC Chairman or the Executive Director for Operations. If the relocation incentive is approved, the relocating employee would also be responsible for adhering to and meeting the conditions in the service agreement. See Figure 2 for a visual representation of this process.

Figure 2: Steps of Relocation Incentive



Source: OIG Created

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<sup>1</sup> The purpose of the moveLINQ system is to permit authorized Treasury Bureau of the Fiscal Service personnel to process relocation travel documents for PCS moves for government employees in Treasury and non-Treasury agencies.

<sup>2</sup> FAIMIS is the NRC's core financial management system that supports all financial functions and provides agency compliance with federal proprietary and budgetary accounting, and financial reporting requirements.

## Relocation Budget and Actual Cost

Approximately one NRC full-time equivalent works on relocation allowances and 0.08 percent of an NRC full-time equivalent works on relocation incentives. The charts below show the number of employee relocations, budgeted costs, and actual costs for fiscal years (FYs) 2019 and 2020.

### Relocation Allowances and Incentives by FY

Chart 1: Relocation Allowances

| Relocation Allowances |              |                    |                    |
|-----------------------|--------------|--------------------|--------------------|
| <u>Fiscal Year</u>    | <u>Moves</u> | <u>Cost</u>        | <u>Budget</u>      |
| 2019 <sup>3</sup>     | 58           | \$6,121,227        | \$5,633,000        |
| 2020                  | 106          | <u>\$7,334,166</u> | <u>\$8,504,000</u> |
| Total                 | 164          | \$13,455,393       | \$14,137,000       |

Source: OIG generated

Chart 2: Relocation Incentives

| Relocation Incentives |              |                  |                  |
|-----------------------|--------------|------------------|------------------|
| <u>Fiscal Year</u>    | <u>Moves</u> | <u>Cost</u>      | <u>Budget</u>    |
| 2019                  | 26           | \$460,067        | \$600,000        |
| 2020                  | 29           | <u>\$630,798</u> | <u>\$700,000</u> |
| Total                 | 55           | \$1,090,865      | \$1,300,000      |

Source: OIG generated

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<sup>3</sup> The NRC's payment of relocation allowances in FY 2019 resulted in a cost overrun. The NRC covered the cost overrun in FY 2019 by reallocating available funds from other sources. In FY 2020, the NRC budgeted more funds for relocations.

## II. OBJECTIVE

The audit objective was to determine whether the NRC has established and implemented an effective system of internal control over the permanent change of station program. Appendix A contains information on the audit scope and methodology.

## III. FINDING

The NRC has established and implemented an adequate system of internal control over the permanent change of station program. However, opportunities for improving its effectiveness exist. Specifically, the NRC's policies and procedures for relocation allowances and incentives need to be updated to reflect current federal guidance.

### Relocation Policy Needs to be Updated

Federal regulations require the NRC to create internal policies governing the change of station program, and federal guidance highlights the importance of documenting internal controls. While the NRC has developed relocation allowance and incentive guidance, internal management of the program needs improvement. This occurred because the current NRC policies do not fully reflect federal guidance or the NRC's current practices; management has not reviewed these policies, procedures, and control activities for continued relevance and effectiveness; and, certain relocation program duties are not segregated. The current policies can lead to increased risk of program mismanagement.

### What Is Required

#### Federal Requirements

The FTR Chapter 302, *Relocation Allowances*, requires agencies to set internal policies that explain their change of station programs. Nearly every part within Chapter 302 contains a set of requirements for the agency's internal policies. For example, the section related to employee eligibility requirements states the agency must set internal policies that determine:

1. How it will implement the governing policies throughout this part;
2. How it will determine when a relocation is in the best interest of the government;
3. When it will allow a travel advance for relocation expenses;
4. Who will authorize and approve relocation travel;

5. Under what additional circumstances will the agency require an employee to sign a service agreement;
6. Who is required to sign a service agreement; and,
7. How it will ensure that all relocating employees sign a duplicate reimbursement disclosure statement, which is to be incorporated into their relocation service agreements.

The U.S. Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*,<sup>4</sup> states: “management develops and maintains documentation of its internal control system.” This documentation, when effective, assists in management’s design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel.

## What We Found

### The NRC Relocation Guidance Needs Improvement

The NRC relocation allowance and incentive guidance needs improvement because the guidance does not explain the current agency process for relocation allowances and lacks sufficient detail to inform staff of practices to follow.

#### *The NRC Relocation Allowance Guidance Does Not Explain the Current Process*

The NRC’s official relocation allowance policy is outdated because the MD predates the current process. MD 14.2, *Relocation Allowances*, is the official NRC policy for relocation allowances. However, MD 14.2 does not discuss the Department of the Treasury or its moveLINQ system, which the NRC uses to complete relocation allowance authorizations and vouchers<sup>5</sup>. The MD has not been updated since 2014, even though the NRC significantly changed its process for relocation allowances in 2019.

#### *The NRC Relocation Policies Lack Sufficient Detail*

The NRC relocation incentive guidance lacks detail sufficient to instruct agency staff on which process to accurately follow. For example, an NRC employee was relocated and received a relocation incentive but stayed in a hotel to work at the new duty station three times a week. OPM guidance states an employee receiving a relocation incentive may establish residence in several ways including temporarily residing in a hotel. However,

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<sup>4</sup> GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

<sup>5</sup> The OCFO released an announcement detailing the change in process and the Department of the Treasury’s role in 2019.

the NRC's *Relocation Incentives Fact Sheet* states an employee must establish residence in the new area before receiving an incentive. The NRC's guidance does not specify the ways, however, to establish residence in the new location.

The FTR contains 64 requirements that should be reflected in the NRC's relocation allowance policy. The OIG reviewed MD 14.2 to understand whether these FTR requirements are addressed, and found the NRC met only 10 of these requirements. For example, the FTR states the agency must set internal policies that determine who is required to sign a service agreement. Furthermore, the FTR also specifies that agencies require employees to sign a service agreement if the employee is receiving reimbursement for relocation travel expenses. MD 14.2 does not discuss which employees should sign a service agreement, but in the actual relocation allowance documents that the OIG reviewed, all the employees that received relocation allowances signed a service agreement. Even though the NRC policy does not address the FTR requirements, the agency process does. In a different section, the FTR requires agencies to establish policies governing when the agency will authorize a house-hunting trip. MD 14.2 does not describe when house-hunting trips will be authorized or even mention house-hunting trips.

MD 14.2 also does not contain a handbook section. Instead, this MD notes "FTR Chapter 302, 'Relocation Allowances,' serves as the handbook to this directive." This means the FTR requires specific provisions be set in NRC policy, but the NRC policy refers readers back to the FTR. Accordingly, the MD lacks sufficient precision and detail.

The NRC has an internal document titled *U.S. Nuclear Regulatory Commission Change-of-Station Relocation Allowances for Transferring Employees*, that satisfies an additional 36 FTR requirements. This guide was last updated in 2021 and explains the NRC's current relocation allowance process. However, the guide provides, "...this guide is not a substitute for official NRC policy and has no directive authority." See Appendix B for a complete list of the FTR requirements and the OIG's determination of which requirements were met by MD 14.2 and the internal guide.

Another FTR requirement is that agencies work toward unifying all aspects of their relocation program into a comprehensive, automated relocation management system. This system should include appropriate electronic connections to agency payment and finance processes for all relocation allowances. However, the NRC uses the Treasury's moveLINQ system, and therefore, no electronic connection exists between the moveLINQ system and the NRC's FAIMIS. The NRC's workaround to this issue is to have a relocation specialist manually input information from moveLINQ into FAIMIS.

This relocation specialist also reconciles moveLINQ and FAIMIS with no supervisory review.

## Why This Occurred

### Internal Controls Need Improvement

The NRC's relocation guidance is inadequate because internal controls need improvement. In particular, the NRC's relocation guidance does not fully reflect federal requirements, management has not reviewed policies, and duties are not properly segregated.

The NRC's relocation guidance does not fully reflect federal guidance or the current allowance process. Specifically, MD 14.2 does not include all the internal policies required by the FTR for processing relocation allowances. It also does not include the NRC's process for using moveLINQ. Additionally, the NRC's *Relocation Incentives Fact Sheet* does not include details such as the different ways an employee can establish a residence, among other things.

MD 14.2 is outdated and lacks detail because management has failed to periodically review policies, procedures, and control activities for continued relevance and effectiveness.

The relocation specialist must manually input information from moveLINQ to FAIMIS and reconcile the systems because the NRC lacks segregation of duties. The purpose of segregating duties is to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing, processing, recording, and reviewing transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

## Why This Is Important

### Risk of Mismanagement

Incomplete guidance can lead to increased risk of mismanagement. This mismanagement could manifest itself in various interpretations of the guidance, the potential for loss of knowledge, or inaccurate data.

The NRC's relocation guidance lacks detail, which can cause different interpretations of that guidance. For example, the lack of detail in the NRC's *Relocation Incentives Fact Sheet* caused a misunderstanding about whether an employee can receive a relocation incentive when establishing residence in a hotel. This misunderstanding resulted in time lost discussing the various interpretations and the actions that should be taken.

The lack of documentation of the NRC's relocation allowance program could result in a loss of organizational knowledge. The GAO, *Standards for Internal Control in the Federal Government*, states documentation provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel. Therefore, without a properly documented relocation allowance process, the NRC has not taken the necessary steps to mitigate the risk of potential loss of knowledge.

In addition, the lack of segregation of duties can result in inaccurate data. In one example, the relocation allowance tax lines were incorrectly deobligated by \$2.9 million dollars after a manual input error was not identified timely due to a lack of internal controls and appropriate segregation of duties. This example highlights the fact that NRC management could make decisions based on inaccurate information.

## **Recommendations**

The OIG recommends that the Executive Director for Operations and the Chief Financial Officer:

1. Update agency guidance to fully reflect and comply with federal guidance;
2. Update relocation allowance guidance to include the current practice of using moveLINQ;
3. Develop and implement a policy to periodically review relocation guidance to ensure the full compliance with federal guidance and alignment with current agency practices; and,
4. Update relocation guidance to include a supervisory review of reconciliation practices.

## **IV. NRC COMMENTS**

An exit conference was held with the agency on January 6, 2022. After reviewing a discussion draft, agency management provided comments that have been incorporated into this report, as appropriate. As a result, agency management opted not to provide formal comments for inclusion in this report.

## OBJECTIVE, SCOPE, AND METHODOLOGY

### Objective

The audit objective was to determine whether the NRC has established and implemented an effective system of internal control over the permanent change of station program.

### Scope

The audit focused on the PCS program in FYs 2019 and 2020. We conducted this performance audit at NRC headquarters, Rockville, Maryland, from April 2021 through November 2021.

Components of internal controls related to the audit objective were reviewed and analyzed. The OIG reviewed the components of control environment, control activities, information and communication, and monitoring. Within those components, the OIG reviewed the principles of overseeing the internal control system; establishing structure, responsibility, and authority; designing control activities; implementing control activities through policies; using quality information; communicating internally; and establishing and operating monitoring activities.

### Methodology

The OIG reviewed relevant criteria and guidance documents for this audit. This review included:

- Title 41 CFR Chapters 300 to 304, *The Federal Travel Regulation*;
- U.S. Code Title 5, Part III, Chapter 57, Section 5753, *Recruitment and Relocation Bonuses*;
- Public Law 108-411, the *Federal Workforce Flexibility Act of 2004*;
- Title 5 CFR Part 575, *Recruitment, Relocation, and Retention Incentives; Supervisory Differentials; and Extended Assignment Incentives*;
- The GAO's *Standards for Internal Control in the Federal Government*;
- MD 14.2, *Relocation Allowances*;
- MD 10.51, *Recruitment, Relocation, and Retention Incentives*;
- MD 14.1, *Official Temporary Duty Travel*; and,
- MD 10.1, *Recruitment, Appointments, and Merit Staffing*.

The OIG interviewed staff who perform change of station program duties throughout the NRC. These interviews included key NRC staff from the OCHCO, the OCFO, and the regional offices involved in the PCS program. The OIG also interviewed relocated NRC employees.

OIG staff received a demonstration from the Department of the Treasury on the moveLINQ system to learn how to use it to find documentation for relocated NRC employees. The OIG conducted a judgmental sample of NRC employees who relocated in FYs 2019 and 2020 to review the documentation. The audit team conducted a similar review of relocation incentives by selecting a judgmental sample of employees receiving a relocation incentive in FYs 2019 and 2020, and reviewing the documentation of their incentives for accuracy and compliance with federal requirements. Finally, the OIG examined and analyzed FY 2019 and 2020 PCS data including budget, number of moves, and actual costs.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

The audit was conducted by Terri Cooper, Team Leader; Felicia Silver, Audit Manager; George Gusack, Senior Auditor; Curtis Browne, Senior Auditor; William Chung, Senior Auditor; Shreedhar Kandel, Auditor; Phillipe Mathis, Intern; and, George Auel, Intern.

## FTR REQUIREMENT CHART

### FTR Requirement Chart

This chart includes the FTR requirements that agencies establish internal policies. The “Y” (“Yes”) denotes that NRC successfully addressed a requirement while an “N” (“No”) denotes that the requirement was not fully addressed. The internal PCS guide was only reviewed for FTR requirements that MD 14.2 did not already address. Out of 64 total FTR requirements, MD 14.2 addressed 10, and the NRC PCS guide addressed 36.

| FTR Requirement   | MD 14.2 | Comments                   |
|---|---------|----------------------------|
| §302-2.100<br>Before authorizing a relocation allowance, you must set internal policies that determine:   |         |                            |
| (a) How you will implement the governing policies throughout this part  | Y       |                            |
| (b) How you will determine when a relocation is in the best interest of the government  | Y       |                            |
| (c) When you will allow a travel advance for relocation expenses  | Y       |                            |
| (d) Who will authorize and approve relocation travel  | Y       |                            |
| (e) Under what additional circumstances will you require an employee to sign a service agreement  | N       | Addressed in NRC PCS guide |
| (f) Who is required to sign a service agreement   | N       | Addressed in NRC PCS guide |
| (g) How you will ensure that all relocating employees sign a duplicate reimbursement disclosure statement, which is to be incorporated into their relocation service agreements | N       |                            |
| §302-3.500<br>You must establish how you will implement policies that are required for this part, which include:  |         |                            |

| FTR Requirement   | MD 14.2 | Comments                   |
|---|---------|----------------------------|
| (a) When you will pay relocation expenses if an employee violates his/her service agreement   | N       | Addressed in NRC PCS guide |
| (b) When you will authorize separate relocation allowances to an employee and an employee's immediate family member that are both transferring to the same official station   | N       |                            |
| §302-3.501<br>You must establish specific guidelines for paying a relocation allowance to new appointees. These guidelines must establish the:  | N       |                            |
| (a) Criteria in accordance with 5 CFR part 572 on how you will determine if a new appointee is eligible for the relocation allowances authorized therein  | N       |                            |
| (b) Procedures which will provide new appointees with information surrounding his/her benefits  | N       |                            |
| §302-4.700<br>For payment of allowances for subsistence and transportation expenses, you must establish policy and procedures governing:  | N       |                            |
| (a) How you will implement the regulations throughout this part   | N       | Addressed in NRC PCS guide |
| (b) A reasonable minimum driving distance per day that may be more than, but not less than an average of 300 miles per calendar day when use of a privately owned vehicle (POV) is used for PCS travel and when you will authorize an exception | N       | Addressed in NRC PCS guide |
| (c) Designation of an agency approving official who will authorize an exception to the daily minimum driving distance   | N       |                            |
| (d) When you will authorize the use of more than one POV for PCS travel   | N       |                            |
| §302-5.101<br>You must establish policies and procedures governing:   |         |                            |

| FTR Requirement  | MD 14.2 | Comments                   |
|--|---------|----------------------------|
| (a) When you will authorize a house-hunting trip for an employee   | N       | Addressed in NRC PCS guide |
| (b) Who will determine if a house-hunting trip is appropriate in each situation  | N       | Addressed in NRC PCS guide |
| (c) If and when you will authorize the lump sum option for house-hunting trip subsistence expenses reimbursement   | N       |                            |
| (d) Who will determine the appropriate duration of a house-hunting trip for an employee who selects a per diem allowance under part 302-4 of this chapter to reimburse house-hunting trip subsistence expenses | N       | Addressed in NRC PCS guide |
| (e) Who will determine the mode(s) of transportation to be used  | N       | Addressed in NRC PCS guide |
| §302-6.301<br>You must establish policies and procedures governing:  |         |                            |
| (a) When you will authorize temporary quarters for employees   | N       | Addressed in NRC PCS guide |
| (b) Who will determine if temporary quarters are appropriate in each situation   | N       | Addressed in NRC PCS guide |
| (c) If and when you will authorize the lump sum option for temporary quarters subsistence expense (TQSE) reimbursement   | N       |                            |
| (d) Who will determine the appropriate period of time for which TQSE reimbursement will be authorized, including approval of extensions and interruptions of temporary quarters occupancy                      | N       | Addressed in NRC PCS guide |
| (e) Who will determine whether quarters were indeed temporary, if there is any doubt   | N       | Addressed in NRC PCS guide |
| §302-7.400<br>You must establish policies and procedures as required for this Subpart, including who will:   |         |                            |

| FTR Requirement  | MD 14.2 | Comments                   |
|--|---------|----------------------------|
| (a) Administer your household goods (HHG) program  | Y       |                            |
| (b) Authorize commuted rate or actual expense for transportation and payment for HHG, professional books, papers, and equipment (PBP&E), and temporary storage   | N       | Addressed in NRC PCS guide |
| (c) Authorize PBP&E to be transported as an agency administrative expense in accordance with FTR guidelines (usually the authorizing official for PBP&E will be at the employee's new official station)  | N       | Addressed in NRC PCS guide |
| (d) Authorize an employee to ship unaccompanied air baggage  | N       |                            |
| (e) Collect any excess costs or charges  | N       | Addressed in NRC PCS guide |
| (f) Advise the employee on the government's liability for any personal property damage or loss claims (See 31 U.S.C. 3721, et seq.)  | N       | Addressed in NRC PCS guide |
| (g) Ensure that international HHG shipments by water are made on ships registered under the laws of the United States whenever such ships are available (see The Cargo Preference Act of 1904 (10 U.S.C. 2631) and The Cargo Preference Act of 1954 (46 U.S.C. 55302)) | N       |                            |
| (h) Authorize temporary storage in excess of the initial 60-day limit for CONUS shipments or 90-day limit for OCONUS shipments   | Y       |                            |
| (i) Ensure pre-payment audits are completed  | N       |                            |
| §302-8.400<br>You must establish policies and procedures governing this part including:  |         |                            |
| (a) When you will authorize payment  | N       | Addressed in NRC PCS guide |
| (b) Who will determine whether payment is appropriate  | N       | Addressed in NRC PCS guide |

| FTR Requirement  | MD 14.2 | Comments                   |
|--|---------|----------------------------|
| (c) How and when reimbursements will be paid   | N       | Addressed in NRC PCS guide |
| (d) Which locations meet the criteria of this part for isolated official station at which conditions exist for allowing extended storage at government expense for some or all employees | N       |                            |
| (e) Who will determine the duration and place of extended storage  | N       | Addressed in NRC PCS guide |
| §302-9.603<br>You must establish policies governing:   |         |                            |
| (a) When you will authorize transportation and emergency storage of a POV  | N       | Addressed in NRC PCS guide |
| (b) When you will authorize transportation of a replacement POV  | N       | Addressed in NRC PCS guide |
| (c) Who will determine if transportation of a POV to or from a post of duty is in the interest of the government   | N       | Addressed in NRC PCS guide |
| (d) Who will determine if conditions have changed at an employee's post of duty to warrant transportation of a POV in the interest of the government                                     | N       | Addressed in NRC PCS guide |
| (e) Who will determine if transportation of a POV wholly within CONUS is more advantageous and cost effective than having the employee drive the POV to the new official station         | N       | Addressed in NRC PCS guide |
| (f) Who will determine whether to allow emergency storage of an employee's POV, including where to store the POV   | N       |                            |
| §302-10.400<br>You must establish policies for authorizing transportation of a mobile home that implement this part including when:  |         |                            |
| (a) It is considered in the best interest of the government to assume direct responsibility for  | N       | Addressed in NRC PCS guide |

| FTR Requirement   | MD 14.2 | Comments                   |
|---|---------|----------------------------|
| preparing and transporting an employee's mobile home  |         |                            |
| (b) To authorize an advance of funds for a commercial carrier transporting an employee's mobile home based on constructive or estimated cost when the employee assumes direct responsibility for payment  | N       | Addressed in NRC PCS guide |
| §302-11.403<br>You must establish policies that will define what documentation is acceptable from an employee when requesting reimbursement of residence transaction expenses.  | N       | Addressed in NRC PCS guide |
| §302-11.404<br>When paying allowances for expenses incurred in connection with residence transactions, you must:  |         |                            |
| (a) Determine who will authorize and approve residence transactions expenses on the employee's travel authorization   | N       | Addressed in NRC PCS guide |
| (b) Determine who will review applications for reimbursement of residence transaction expenses  | N       | Addressed in NRC PCS guide |
| (c) Determine who will authorize extensions beyond the 1-year limitation for completing sales and purchase or lease termination transactions, under §§302-11.420 and 302-11.421   | N       | Addressed in NRC PCS guide |
| (d) Prescribe a claim application form which meets your internal administrative requirements  | N       |                            |
| (e) Require employees to submit a travel claim with appropriate documentation to support his/her payment of the expenses claimed, which must include as a minimum:<br>(1) The sales agreement;<br>(2) The purchase agreement;<br>(3) Property settlement documents;<br>(4) Loan closing statements; and,<br>(5) Invoices or receipts for other bills paid | N       | Addressed in NRC PCS guide |
| (f) Require employees to submit travel claims to his/her old official station for review and approval of the claim unless agency review and approval  | N       | Addressed in NRC PCS guide |

| FTR Requirement   | MD 14.2 | Comments                   |
|---|---------|----------------------------|
| functions are performed elsewhere except as provided in §302-11.405   |         |                            |
| §302-12.114<br>If you choose to offer the services of a relocation services company (RSC) to your employees, you must establish policies governing:   |         |                            |
| (a) The conditions under which you will authorize an employee to use the contract with the RSC  | N       | Addressed in NRC PCS guide |
| (b) Which employees you will allow to use the contract with the RSC   | Y       |                            |
| (c) Which services the RSC will provide to the employee   | Y       |                            |
| (d) Who will determine in each case if an employee may use the contract with the RSC and which services the RSC will provide  | N       | Addressed in NRC PCS guide |
| (e) How you will monitor and evaluate the counseling provided by you and/or the RSC to your employees   | N       |                            |
| (f) How you will monitor and maintain an appropriate balance between the three types of home sale transactions in your home sale programs (appraised value, buyer value option, and amended value)  | N       |                            |
| §302-14.101<br>You must establish policies to govern the conditions under which you will authorize a home marketing incentive payment for an employee   | Y       |                            |
| §302-15.70<br>You must establish policies and procedures governing when you will authorize payment for property management services for an employee who transfers in the interest of the government | Y       |                            |
| §302-16.200<br>For miscellaneous expenses allowances (MEAs), you must establish policies and procedures governing:  |         |                            |
| (a) Who will determine whether payment for an amount in excess of the flat MEA is appropriate   | N       |                            |

| FTR Requirement   | MD 14.2          | Comments   |
|---|------------------|--|
| (b) How you will pay a MEA in accordance with §302-16.3 and §302-16.4 | N                |  |
| Totals (total requirements-64)  | Y - 10<br>N - 54 | 36<br>requirements<br>addressed in<br>the NRC<br>PCS guide |

## TO REPORT FRAUD, WASTE, OR ABUSE

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11555 Rockville Pike  
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## COMMENTS AND SUGGESTIONS

If you wish to provide comments on this report, please email the OIG using this [link](#).

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