**DEPARTMENT OF THE NAVY**
OFFICE OF THE SECRETARY
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WASHINGTON, DC 20350-1000

SECNAVINST 7042.7K
AAUSN
14 Mar 2006

SECNAV INSTRUCTION 7042.7K

From: Secretary of the Navy

Subj: GUIDELINES FOR USE OF OFFICIAL REPRESENTATION FUNDS (ORF)

Ref: (a) DOD Directive 7250.13 of 17 Feb 04
(b) SECNAVINST 7042.13A
(c) DoD Joint Travel Regulations
(d) Title 22, U.S. Code, Section 2694
(e) Title 5, U.S. Code, Section 7342
(f) DoD FMR, Vol. 3, Chapter 8
(g) NAVSO P-3006
(h) DoD FMR, Vol. 3, Chapter 11
(i) EBUSOPSOFFINST 4200.1A

Encl: (1) Listing of DoD Officials Eligible for Official Courtesies on Official Visits to the Field
(2) ORF Guest Ratio Examples
(3) Procedures for Requesting Funds
(4) Sample Expense Documentation Sheet (EDS)
(5) Sample Vouchers
(6) Guidelines for use of ORF Government Commercial Purchase Card

1. Purpose

a. To implement current Department of Defense (DoD) policy per reference (a).

b. To clarify Department of the Navy (DON) policies and procedures.

c. To delegate authority to expend ORF.

d. To establish policy on the exercise of that authority.

e. To provide forms and procedures for distributing funds and documenting their expenditure.

This instruction has been administratively revised and should be reviewed in its entirety.

2. Cancellation. SECNAVINST 7042.7J and SECNAVINST 7042.14A.

3. Background. Title 10, U.S. Code, Section 127 authorizes the Secretary of Defense and the Secretaries of the Military Departments to provide for any emergency or extra-ordinary expense that cannot be anticipated or classified. These funds may be spent for purposes determined to be proper by the Secretary concerned, including official courtesies provided for community and public relations, international relations, DoD protocol, and other expenses not specifically provided for by other appropriations. In the DON, ORF, which is a "subset" of EEE and administered through policies established by the Secretary, is used only to maintain the standing and prestige of the United States.

4. Definitions. DoD personnel, unless specifically indicated to the contrary, includes all military members and civilian employees and contractors of the DoD; Coast Guard personnel when assigned to a DoD activity; students of the U.S. military academies; reservists on active duty; members of the National Guard; all former military and civilian personnel of the DoD who do not qualify for official courtesies under paragraph 6a; foreign military and civilian personnel assigned to a DoD activity or to an organization which operates as a subordinate part of a United States Command; and spouses of the foregoing categories.

5. Delegation of Authority

a. DON officials who receive ORF funding authority from the Secretary of the Navy (SECNAV), Chief of Naval Operations (CNO) or Commandant of the Marine Corps (CMC) are authorized to extend official courtesies on behalf of the U.S. Government. These officials are called authorization holders and they may redelegate their authority to sub-authorization holders. However, except for departmental offices of the SECNAV, CNO, and CMC, authorizations or sub-authorizations will be granted only to military heads of activities and commands under the jurisdiction or administrative control of the DON and will not be sub-authorized within an activity or command.

b. Invitations to foreign dignitaries to visit the U.S. at the expense of DOD as authorized by reference (a) shall be extended only by the SECNAV, CNO, and CMC. Policy and procedures concerning these visits are listed in paragraph 11. Visits of foreign dignitaries from Latin American countries will be funded with Latin American Cooperation funds pursuant to the provisions of Title 10, U.S. Code, section 1050 and implementing regulations contained in reference (b).

c. The Under Secretary of the Navy has authority to approve DON ORF policy exceptions to the extent permitted by law or

reference (a). The Under Secretary may also authorize the use of ORF for official representation expenses not specifically covered in this instruction, provided that such use is consistent with the general policies and guidelines set forth in this instruction and reference (a).

d. The Assistant for Administration, Office of the Under Secretary of the Navy (AAUSN), CNO and CMC are delegated authority to approve DON ORF policy exceptions to the extent permitted by law or reference (a). These officials may also authorize the use of ORF for official representation expenses not specifically covered in this instruction, provided that such use is consistent with the general policies and guidelines set forth in this instruction and reference (a). Expenses authorized under this delegation may not exceed $25K. This authority may be further delegated to the Vice Chief of Naval Operations (VCNO) and Assistant CMC (ACMC) respectively, but may not be further delegated.

e. CNO may redelegate Navy policy exception authority to Director, Navy Staff; Commander, Fleet Forces Command; Commander, U.S. Pacific Fleet; and Commander, Naval Forces Europe to approve policy exceptions for ORF requests not to exceed $5,000 for expenditures incurred for change of command and retirement ceremonies approved as exceptions under paragraphs 9a(4) of this instruction.

f. CMC may redelegate Navy policy exception authority to Commander, Marine Forces, Atlantic and Commander, Marine Forces, Pacific to approve policy exceptions for ORF requests not to exceed $5,000 for expenditures incurred for change of command and retirement ceremonies approved as exceptions under paragraph 9a(4) of this instruction.

6. Individuals Eligible for ORF Courtesies. ORF is to be used to uphold the standing and prestige of the United States by extending official courtesies to certain officials and dignitaries of the United States and foreign countries.

a. Only expenditures for, or in honor of, the individuals listed below are approved under the ORF program:

(1) Distinguished citizens, military officers and government officials of foreign countries. The rank, position, function or stature of the individuals must clearly justify use of these funds.

(2) Senior federal (non-DoD), State and local government officials, such as the President and the Vice President of the U.S.; members of the cabinet; members and professional staff of

Congress; and other U.S. Government officials (non-DoD) comparable to those DoD officials listed in enclosure (1).

(3) Distinguished and prominent U.S. citizens whose rank, position, function or stature warrants the extension of official courtesies by the U.S. Government. This includes those in leadership positions of organizations such as Chambers of Commerce, individuals who have made a substantial contribution to the nation or the DoD, recognized leaders in their fields of expertise, and members of the news media when appropriate.

(4) Military and civilian personnel associated with the Foreign Warship Visit Information Program on official visits to United States ports or when United States vessels are on official visits to foreign ports.

(5) Those military and civilian officials of the DoD listed in enclosure (1) when they are on official visits to field activities not within the Washington, D.C. metropolitan area. ORF may be used to pay expenses for official courtesies that are minimally required to host these DoD officials. It shall not be used for expenses that are solely for the personal entertainment of these officials, their families, or personal guests. Ratio requirements as detailed in paragraph 7 do not apply to events hosted for officials listed in enclosure (1).

7. ORF Ratios. An appropriate ratio of authorized guests to DoD personnel will be observed at officially hosted functions where ORF is used, unless otherwise limited or authorized in this instruction. The term "authorized guests", unless specifically indicated to the contrary, includes all individuals qualifying for ORF courtesies listed in paragraph 6a and members of their party. DoD personnel are defined in paragraph 4a of this instruction. In parties of fewer than 30 persons, a minimum of 20 percent of invitees expected to attend should be authorized guests. In parties of 30 or more persons, a minimum of 50 percent of invitees expected to attend should be authorized guests. This requirement does not apply to those functions honoring specific officials as described in paragraph 6a(5). AAUSN, CNO or CMC may authorize different ratios for specific occasions that warrant deviation from this requirement.

a. DoD personnel in excess of the defined ratios above may attend functions by paying a pro rata share of the total expense. Such attendance shall be recorded as a separate part of the official guest list furnished for the event. DoD personnel will not be required to pay a pro rata share when ratios are distorted because authorized guests expected to attend were not able to participate. Examples that illustrate calculation of the pro rata share are included in enclosure (2).

b. Planning officials are reminded that the above ratios are intended as a minimum allowable percentage to justify the expenditure of ORF for an entire event. The addition of unnecessary DoD personnel as event participants merely because the minimum ratio may permit it is specifically prohibited.

c. DoD personnel on per diem will be included in the number of DoD personnel when determining ratios. Individuals on per diem are required to report all Government provided meals on their travel claims as required by reference (c).

8. Authorized ORF Expenses. ORF is used to host official receptions, luncheons, dinners, and similar events and to otherwise extend official courtesies to authorized guests listed in paragraph 6.

a. Official Function Support Expenses. Function support expenses may include but are not limited to:

(1) Food and refreshments. Any food or refreshments purchased in bulk must be entered into inventory and documented as detailed in paragraph 12c(3).

(2) Alcohol for receptions/meals. Any alcohol purchased in bulk for use on a ship or in official quarters must be entered into inventory documented as detailed in paragraph 12c(3).

(3) Gratuities for services rendered by non-governmental personnel, see paragraph 9(a)11.

(4) Disposable supplies such as napkins, paper plates, cups, table cloths and perishable flower and/or candle arrangements for receptions/meals.

(5) Rental of appliances, tables, chairs, glasses, plates, tablecloths and other similar event support expenses directly related to providing official courtesies. However less expensive resources should be considered prior to renting these items. The authorization holder or sub-authorization holder should determine that it is impractical to utilize these items from DoD facilities and services (General Mess, Official Quarters) or as an inclusion in a catering contract. This does not include any expenses incidental to a ceremony, seminar, conference or meeting that may be covered with other appropriated or non-appropriated funds.

(6) Recreational event expenses such as sporting activities and concerts are authorized only for distinguished citizens, military officers and government officials of foreign

countries described in paragraph 6a(1) of this instruction. Ratios do not apply; ORF is authorized to cover only the expenses incurred by individuals listed in paragraph 6a(1) and members of their party.

b. Gifts and Mementos. ORF may be used to purchase gifts or mementos for presentation to individuals listed in paragraph 6a (1)-(4). These gifts are usually, but not always, presented at official ceremonies or functions. The aggregate cost of gifts presented by any one DoD official to any one authorized guest at an event may not exceed the minimal value as established under references (d) and (e). The minimal value as of the effective date of this instruction is $305.00. However, the General Accountability Office reevaluates this amount every three years and publishes changes in the Federal Register. In determining an appropriate gift or memento, officials should consider whether the representational objectives of the DON and the interests of the U.S. taxpayer are served.

(1) It is the intention of this policy guidance that officials select gifts or mementos that reflect uniquely American, DON, command/unit, or other appropriate themes that may be relevant or significant to the particular event at which the gift will be presented. Furthermore, officials can present gifts or mementos that are indicative of the geographic region of their respective command. For example, an appropriate ORF gift from Washington, D.C. may include a print of the Iwo Jima Memorial or the U.S. Capitol, and an appropriate ORF gift from Hawaii may include gifts made of koa wood. Gifts of alcohol products, however, may not be purchased with ORF, unless approved in advance by AAUSN, CNO or CMC for their respective area of responsibility.

(2) Gifts can be personalized with the organization, the title, and the name of the presenter; however, personalized gifts may only be ordered in very limited quantities to ensure that they are used during the DoD/DON official's tenure.

(3) ORF shall not be used to pay for clothing unless the item reflects a uniquely American, DON, command/unit, or other appropriate themes. This may include items such as shirts, ties, scarves, or ball caps.

(4) Flowers or wreaths may be laid at foreign national shrines or monuments. For official protocol purposes only, flowers may be presented by individuals authorized to extend ORF courtesies when attending funerals.

(5) ORF may be expended for wrapping paper and ribbon/bows necessary for the preparation of a gift or memento

for presentation.

(6) When on official visits to foreign countries and field activities outside of the Washington DC Metropolitan area SECNAV, UNSECNAV, Assistant SECNAVs (ASNs), General Counsel (GC), CNO, VCNO, CMC, ACMC, Master Chief Petty Officer of the Navy, and Sergeant Major of the Marine Corps may present mementos costing no more than $50 to non-DoD individuals not included in paragraph 6a, such as interpreters, drivers, or hotel staff.

(7) ORF may be used to purchase mementos given as gifts by DON activities/commands to authorized DoD officials referenced in paragraph 6a(5) and listed in enclosure (1) of this instruction. For this paragraph, authorized mementos are items that cost less than $40.00, such as coins, paperweights, lapel pins and plaques.

(8) In all cases when items are presented within the authority provided by this paragraph, a complete record must be maintained by the authorization holder to include the name of the recipient and the reason for the presentation. Mementos purchased in bulk must be entered into inventory and documented as detailed in paragraph 12c(3).

(9) Payment for gifts and mementos which exceed the required stock level of the fiscal year in which they were purchased is not allowed. Specifically, reference (f) requires that ORF purchases charged to a particular fiscal year be restricted to the requirements (bona fide needs) of that fiscal year unless there are extenuating circumstances, e.g., deployment or lead-time requirements.

9. Unauthorized ORF Expenditures

a. To ensure that ORF will only be used as intended and to ensure the highest order of propriety, obligations or expenditures shall not be incurred for:

(1) Expenses for the purpose of circumventing administrative or legal restrictions on the use of other appropriated or non-appropriated funds.

(2) Expenses for any purpose for which funding is otherwise available such as materials, supplies, services, interpreters, travel, transportation, or entertainment which may properly be charged to other programs or appropriations, such as, but not limited to, Foreign Military Sales Programs, Latin American Cooperation funds, or regular DoD, Navy, and Marine Corps operation and maintenance funds.

(3) Any expense not specifically authorized in this instruction unless advance written approval is granted by UNSECNAV, CNO, CMC or AAUSN as appropriate as provided in paragraphs 5c and d.

(4) Expenses in connection with change of command and retirement ceremonies for DoD personnel. However, when a change of command reception is intended to provide an opportunity for the incoming commander to meet individuals qualifying under paragraphs 6a(1) through (3) of this instruction, an exception to policy may be requested in advance as provided in paragraphs 5e and 5f to use ORF to pay for food and refreshment expenses.

(5) Expenses in connection with performance awards. However, when those occasions warrant the use of ORF to provide courtesies to authorized guests listed in paragraph 6a(1) through (3), an exception to policy may be requested in advance to the appropriate delegated official listed in paragraph 5. Procedures for requesting exceptions to DON ORF policy are detailed in paragraph 10b. Ratio requirements described in paragraph 7 apply.

(6) ORF shall not be used to fund gifts for DoD officials unless otherwise authorized by this instruction.

(7) Meals or refreshments for U.S. Government employees (military or civilian) in connection with routine (weekly, monthly, quarterly) interagency or intra-agency working meetings.

(8) Expenses in connection with meetings, conferences, seminars, conventions or working groups. However use of ORF is allowed for one official DoD-hosted function (e.g., dinner/ reception/luncheon) that includes officials listed in paragraph 6a or enclosure (1), and complies with the ratios set forth in paragraph 7. If hosting more than one function during a meeting policy of limiting multiple hosted events is based on fiscal or conference, use of ORF for the additional function is approved only for officials listed in paragraph 6a (1) through (4). This constraints, and applies to hosting individual dignitaries as well.

(9) Clothing, except for mementos authorized in Para 8b(3) of this instruction.

(10) Clothing rental services and personal items such as toiletries, cigarettes, hair and beauty care, shoeshine and souvenirs.

(11) Labor or gratuities to members of the Armed Forces or employees of the Government for services performed in

connection with official functions. Military personnel, when assigned duty to serve or otherwise support an ORF hosted event, are considered to be on-duty and are not permitted to receive extra compensation.

(12) Any form of greeting cards, invitations, place cards, calling cards or other printed matter, including photographs, except for foreign VIPs under the Foreign VIP Visit Program as authorized in paragraph 11b(8) of this instruction.

(13) Any items of a personal nature for guests, such as floral corsages, parking, or coat check. ORF will not be used to pay expenditures that the host is normally expected to assume as a personal obligation, such as membership fees, dues, or the cost of personal guests or dependents other than their spouses at official functions.

(14) Expenses in connection with the Guest Cruise Program, except for a single hosted social function held in honor of individuals listed in paragraphs 6a(1) through (4) of this instruction.

(15) Social or entertainment functions hosted by and gifts or mementos presented by spouses of DON personnel, regardless of the nature of the function, or the official or unofficial status of attendees. However, ORF may be used to purchase gifts for presentation by DON Personnel or spouses of DON Personnel in connection with visits to the United States by foreign officials and their spouses when invited by the Secretary of Defense, the Deputy Secretary of Defense, the SECNAV, the Chairman of the Joint Chiefs of Staff, the CNO or the CMC; and for official visits by these officials and their spouses to foreign countries.

(16) Mementos for spouses of individuals listed in 6a(1) through (4), except as provided by paragraph 9a (15) of this instruction. Within the criteria used for ORF gift policy, spouses of foreign or U.S. dignitaries are not considered "distinguished or prominent citizens" merely on the basis of marital status. The spouse is considered a member of the distinguished guest's group, but not the honored guest. However, for purposes of appropriate ratios under paragraph 7, the spouse of an individual listed in paragraphs 6a(1) through (4) is included as part of the authorized guest ratio.

(17) Expenses for DoD personnel, or other persons not qualifying under paragraph 6a, in connection with regularly recurring social functions including, but not limited to, military birthday balls, Army-Navy game events, and other similar command- or DON-sponsored social functions not held in honor of

those individuals described in paragraphs 6a(1) through (4).

(18) Classified projects or intelligence/investigative liaison purposes.

(19) Any portion of any event that is eligible for sponsorship with morale, welfare and recreation funds, except the pro rata share of expenses of authorized guests listed in paragraph 6a(1)-(4) and members of their party.

10. Requests for Funds, Exceptions and other Expenses

a. Requests for an allocation of funds, either annual or special, should be submitted in writing through the chain of command to AAUSN in the format described in paragraph 2 of enclosure (3).

b. Requests for exception to DON ORF policy and/or approval of expenses not specifically covered in this instruction or in reference (a) must be submitted in writing through the chain of command to the appropriate approving official as delegated in paragraph 5. Requests must be approved prior to any commitment of ORF. Approving officials delegated in paragraph 5 will copy the chain of command and AAUSN on all approved or declined requests. Requests should include if applicable:

(1) A description of the proposed use of the funds and a justification of how the expenditures merit the use of ORF to maintain the standing and prestige of the United States;

(2) Explanation of why other funds cannot be used;

(3) Date and location of the event;

(4) Cost of event or memento, including a description of items to be purchased with ORF for the event, and/or a description of the mementos;

(5) Complete list of DOD guests with ranks and present billets;

(6) Complete list of authorized guests entitled to ORF courtesies, including sufficient information about each guest for the approval authority to determine if the guests merit ORF courtesies.

11. Funding Visits of Foreign Dignitaries. The following guidelines should be followed when SECNAV, CNO or CMC host

foreign dignitaries.

a. To the maximum extent possible, invitations will be limited to the foreign counterparts of the inviting DON official, or to the foreign counterparts of the DOD personnel listed in reference (a), their spouse, and no more than two accompanying staff members. When desired by the foreign dignitary and if in the best interest of the DON, the Washington-based foreign defense or military service attaché may be included at the discretion of the inviting official. At the discretion of the inviting official, the U.S. defense or military service attaché may also be included. The inviting official may approve the inclusion of additional guests in the official party when doing so serves to maintain the standing and prestige of the United States.

(1) Invitations normally will be for no more than 10 days.

(2) Transportation to and from the continental U.S. normally will be the responsibility of the visiting foreign dignitary.

(3) Transportation to distant locations within the U.S. shall be by U.S. military aircraft whenever possible.

(4) U.S. personnel traveling with the invited foreign guests will be limited to the minimum number necessary to provide escort, interpreting, security or other essential services that may be necessary to accomplish the purpose of the visit.

(5) Lodging, food and official entertainment costs for the night before and the night after the visit may be included in the cost of the visit when approved in advance by the inviting official.

(6) Lodging and meals, including formal luncheons, dinners and receptions, are the responsibility of the DON and are not considered leisure activities or entertainment. The appropriate ratio in paragraph 7 must be maintained at functions that include invited guests in addition to the official party.

(7) Military quarters will be used to the maximum extent possible to house foreign dignitaries and officials. Commercial facilities shall be used only when military quarters are not available or are not suitable for the dignitary or the occasion.

(8) Leisure activities and entertainment will be planned to coincide with the military orientation aspect of the visit. Such activities may be provided at DON's expense on an infrequent

and modest basis.

b. The following expenses of the official party are chargeable to ORF:

(1) Fees required to purchase travelers' checks and other related expenses.

(2) All lodging, meals and refreshments for authorized guests.

(3) Gratuities or payments for services rendered by non U.S. government personnel.

(4) Valet services and other similar expenses, such as laundry and dry-cleaning, that normally would not have been incurred except for travel associated with the official visit.

(5) Entertainment such as theaters, sports activities and events, concerts and sightseeing tours.

(6) Taxi and rental vehicle expenses, when government transportation is not available, or when such expenses are not reimbursable through TAD/TDY funds or otherwise chargeable to a transportation appropriation.

(7) Actual travel expenses of the U.S. personnel included in the official party which exceed the maximum amount reimbursable from TAD/TDY funds.

(8) Photographs of the visit for gift presentation to the visiting foreign dignitaries.

c. In addition to those listed in paragraph 9a, the Following expenses may <u>not</u> be charged to ORF:

(1) Long-distance communications originated by the foreign dignitary except when directly related to the purpose of the visit.

(2) Gifts or flowers that will be presented by the foreign dignitary.

(3) Significant detours or deviations from the established official itinerary to accommodate requests made by the invited foreign dignitary.

(4) Expenses of persons who accompany the official party to the theater, sports events, sightseeing tours, etc.

(5) Meals for official drivers.

d. Executive Agent Assignments

(1) When foreign dignitaries or officials are invited by certain officials of the Office of the Secretary of Defense or the Joint Staff as authorized in reference (a), the Military Department Secretaries may be directed to act as Executive Agent for the visit. The Executive Agent is responsible for making support arrangements following the guidance in reference (a), unless deviations from policy have been provided in writing via the tasking official.

(2) CNO and CMC are responsible, as appropriate, for making support arrangements and executing planned visits within applicable guidelines and are delegated responsibility for acting as representatives when the DON is assigned as Executive Agent.

(3) When the DON is tasked as Executive Agent, the escort officer will receive Official Representation financing from OSD for SECDEF-sponsored visits and from AAUSN for CJCS-sponsored visits. All expense documents will be forwarded to the office originating the financing. The portion of any visit to the National Capital Region or other points of national interest is the responsibility of SECDEF or CJCS, as appropriate. Expenses for visits to an installation of another DOD Component, or to an industrial facility performing activities related to another DoD Component, will be billed to the applicable Component.

e. Except as provided in subparagraph 11d, expenses incurred under this paragraph will be charged to the account of the inviting official. Escort officers may request an advance of funds from AAUSN through the subprogram manager. Upon completion of the visit, the escort officer will provide a comprehensive accounting of expenses.

12. Responsibility

a. AAUSN has primary responsibility for ORF and shall provide policy guidance and may update guidelines and procedures included as enclosures to this instruction as required.

b. AAUSN shall establish procedures, budget resources, review expenditures, distribute accounting information, and consolidate field data for the DON quarterly Emergency and Extraordinary Expenses Report to OSD.

c. Authorization and sub-authorization holders shall expend ORF per the provisions of this instruction, properly document each expenditure, and account and report resources received and expended under references (g) and (h). To facilitate review, an ORF Expense Documentation Sheet (enclosure (4)) shall be attached to ORF vouchers (sample at enclosure 5) to properly document each function for which reimbursement is requested. The authorization or sub-authorization holder will approve each request and be held accountable for the propriety of each expenditure. Authorization and sub-authorization holders will:

(1) Ensure courtesies are not wasteful or extravagant, and invite only the minimum number of guests necessary to extend proper courtesy.

(2) Ensure all ORF managers involved in the planning, execution and processing of ORF understand and comply with this instruction.

(3) Ensure that all personnel involved in purchasing bulk items are properly trained in ORF inventory management. Items purchased with ORF must be strictly accounted for and should not be co-mingled with other inventories. All inventory accounting should be current and accurate at all times with a clear audit trail from purchase to use/presentation. Inventory documentation should describe the item, recipient, occasion and issue date.

(4) Ensure that all expenditure documentation, DON ORF policy exception and special expense approval documentation is maintained and provided to AAUSN for periodic review as required.

13. Government Purchase Card Use to Support ORF programs

a. To reduce paperwork and reimbursements to DoD personnel, authorization holders and sub-authorization holders must maximize use of the Government Purchase Card (GPC) and convenience checks for ORF services and materials. Ensure adherence to reference (i) concerning GPC use and that all GPC training requirements are met. Additional guidance for the use of GPC and convenience checking accounts in administering ORF is included in enclosure (5). Use of the GPC or convenience checking accounts is approved for payment of ORF expenses when:

(1) The GPC or convenience checking account is designated solely for ORF expenses.

(2) Authorization holders and/or Sub-Authorization holders pre-approve use of the GPC to support ORF event or memento purchases.

14. Reimbursements and GPC Expenditure Documentation

a. Whenever possible, the GPC should be used to support ORF purchases. In situations where use of the GPC is not feasible, reimbursements from ORF will only be made for expenses actually incurred. GPC and reimbursement documentation must include an ORF Expense Documentation Sheet, see sample at enclosure (4) and expenditure vouchers (NAVCOMPT 2277 or SF 1034, see enclosure (5)).

b. The supporting documentation for GPC and reimbursements requests will include the following information:

(1) Date, place, nature and purpose of the expenditure, and the number of persons included (indicating the number of DoD civilian/military personnel and authorized guests).

(2) Brief itemization of expenses (for example, for officially hosted functions indicate the cost of food, refreshments, flowers, tips, and non-DoD labor, and for mementos indicate the date and number purchased, and the cost, including engraving). Other incidental and miscellaneous expenses should be identified.

(3) Approval documentation with the signature of the authorization or sub-authorization holder and applicable receipts.

(4) Documentation of exception to policy approval or approval for expenses not specifically authorized by this instruction or reference (a).

(5) A record of guests (name, rank, title, and organization) invited to functions paid in whole or part with ORF must be maintained by the authorization or sub-authorization holder.

(6) A record of individuals invited but not paid for with ORF, such as DoD personnel receiving perdiem.

/s/
Dionel M. Aviles
Under Secretary of the Navy

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# LISTING OF DOD OFFICIALS ELIGIBLE FOR OFFICIAL COURTESIES ON OFFICIAL VISITS TO THE FIELD

## Office of the Secretary of Defense

Secretary of Defense and Deputy Secretary of Defense
Under Secretaries of Defense
Director, Defense Research and Engineering
Assistant Secretaries of Defense
General Counsel of the Department of Defense
Inspector General of the Department of Defense
Director, Operational Test and Evaluation
Assistants to the Secretary of Defense

## Joint Chiefs of Staff

Chairman, Joint Chiefs of Staff
Vice Chairman, Joint Chiefs of Staff
Director, Joint Staff
Combatant Commanders
Deputy Commander, United States European Command

## Military Departments

Secretaries, Under Secretaries, Assistant Secretaries and General Counsels of the Military Departments
Chiefs and Vice Chiefs of Staff of the Army and Air Force
Chief and Vice Chief of Naval Operations
Commandant and Assistant Commandant of the Marine Corps

## Defense Agencies

Directors of the Defense Agencies
Directors of DoD Field Activities
President, Uniformed Services University of the Health Sciences

RATIO EXAMPLES FOR PURPOSES OF ORF

1. The following examples illustrate how to calculate the pro rata shares of total expenditures for purposes of ORF:

(a) An official guest list contains 25 people; this would require a 20 percent ratio. Three people on the list are authorized guests. Applying the 20 percent ratio, five authorized guests are required to meet ORF ratio rules. However in this case only three authorized guests, or 60 percent of the required number, are expected to attend the event. Thus, only 60 percent of the 25 guests expected to attend may be covered by ORF. Specifically, expenses for 12 DoD personnel plus expenses for the three authorized guests may be properly funded with ORF. The remaining 40 percent of the expenses must be paid either on a pro rata basis by the additional 10 DoD personnel, or they can be divided among all DoD attendees. In dollar terms, if the event costs $16 per person, the total cost (for 25 people) would be $400. ORF will be used to pay 60 percent of the total or $240. The remaining $160 can be collected by charging 10 DoD personnel $16 each, or as an alternative, charging all 22 DoD personnel $7.27.

(b) An official guest list contains 50 people requiring a 50 percent ratio. Ten people on the list are authorized guests. Applying the one-to-one ratio, only 10 DoD personnel may be properly funded with ORF. Therefore, 20 people (10 authorized and 10 DoD) equates to 40 percent of the total guest list and hence, ORF may cover 40 percent of the total cost of the event. The remaining 60 percent of the cost must be paid either on a pro rata basis by the additional 30 DoD personnel or it can be divided among all DoD attendees. In dollar terms, if the event costs $10 per person, the total cost would be $500. ORF pay $200 for the 10 authorized and 10 DoD personnel. The remaining 30 DoD personnel pay $300 or $10 each, their pro rata share, or as an alternative, all 40 DoD personnel pay $7.50.

PROCEDURES FOR REQUESTING FUNDS

1. The annual ORF appropriation is divided into three sub-programs:

a. Sub-program No. 1 - Secretary of the Navy. Under the supervision of SECNAV and administered by the AAUSN this program supports:

(1) Events, activities and functions sponsored by SECNAV, and approved officials of the Navy Secretariat, DON Staff Offices and assigned shore activities.

(2) Events co-sponsored by the Navy Secretariat with their counterparts in the other Services.

b. Sub-program No. 2 - Chief of Naval Operations. Under the supervision of the CNO and administered by the Director, Navy Staff (DNS), this program supports:

(1) Office of the Chief of Naval Operations;

(2) Commander, Navy Installations

(3) Naval Education and Training;

(4) Military Sealift Command;

(5) Naval Reserve Force;

(6) Fleet Operating Forces (except Marine Corps Forces);

(7) All Navy and Marine Corps shore activities, except those specifically assigned to Sub-programs No. 1 and 3; and

(8) Special commands and activities regardless of location, to which the DON must contribute funds for official representation, such as joint task forces and joint boards.

c. Sub-program No. 3 - Commandant of the Marine Corps. Under the supervision and administration of the Commandant, this program supports:

(1) Headquarters, U.S. Marine Corps, and activities which are under both the command and primary support of the Marine Corps; and,

(2) Fleet Marine Forces and commands under the

operational control thereof.

2. When notified of the amounts appropriated for the fiscal year, CNO and CMC sub-program managers will recommend to AAUSN the amount of funds to be allocated to commands within their areas of responsibility. The command's unit identification code (UIC) and the name of its authorized accounting activity are also needed because AAUSN issues all authorizations for ORF. Commands requesting new authorizations or additional funds during the fiscal year should do so through command channels to the appropriate sub-program manager.

**OFFICIAL REPRESENTATION FUNDS EXPENSE DOCUMENTATION SHEET**

1. **Date of Function/Expense:** _____

2. **Type of Function/Expense:** _____

3. **Location Held:** _____

4. **ORF account charged:** _____

**Event Expenses** _____ **Memento Expenses**_____ **Total ORF cost :** _____

5. **Name and Title of DOD Host (Military or Civilian):**

_____

6. **If DON ORF Policy Exception or Special Expense Approval was required, provide the following information: Type of Function or Expense requiring Policy Exception or special approval:**

_____

**Approving Official:** _____ **Date of Approval:**_____

7. **Authorized Guests (as defined in paragraph 7 of SECNAVINST 7042.7K) receiving ORF courtesies.**
**Total Authorized Guests invited:** _____
**Total Authorized Guests in attendance:** _____

**List the Names and Titles of five of the most distinguished or prominent authorized guests in attendance:**

_____ _____

_____ _____

_____

8. **Ratio of DOD personnel to Authorized Guests (Do not include guests who are paying a pro rata share of the cost):** _____

*If ratios are outside of the required percentages as defined in Paragraph 7 of SECNAVINST 7042.7K attach ratio deviation approval from AAUSN, CNO or CMC as appropriate or provide justification such as an RSVP list showing that the expected attendance was within ratio requirements or that the event was in honor of officials listed in Enclosure (1) of SECNAVINST 7042.7K.

**OFFICIAL REPRESENTATION FUNDS EXPENSE DOCUMENTATION SHEET (cont)**

9. If Mementos were presented, complete the following:

| Date presented | Name/Title of Individual(s) receiving mementos | Item(s) presented | Cost |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

10. If the Government Purchase Card (GPC) was used to pay for all or part of the expenses, complete the following:

Date of authorization or sub-authorization holder pre-approval for use of the GPC for the ORF event/Expense _____
Description of Item/Service and Merchant Name:
_____
_____

Date Item/Service received:_____
Cost:_____

ORF GPC Card Holder making Purchase:
_____

Name and Signature of Individual verifying receipt of item/service (must be different from the GPC card holder and individual must also initial the paper receipt verifying receipt of the items/services):
_____

11. Approved By:
_____
(Name, Title, & Signature of Authorization/Sub-Authorization Holder or reference and attach separate approval documentation)

SF 1034

| | | |
|---|---|---|
| Standard Form 1034<br>Revised October 1987<br>Department of the Treasury<br>TFM 4-2000<br>1034-122 | **PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL** | Public Voucher<br>xx<br>Task Order<br>xxxx |

| | | |
|---|---|---|
| U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION<br>Special Programs Division<br>Assistant for Administration UNSECNAV<br>2 Navy Annex, Room 2519<br>Washington DC 20370-5240 | DATE VOUCHER PREPARED<br>24-Aug-05<br>CONTRACT NUMBER AND DATE<br>xxxx-xx-xx-xxxx | SCHEDULE NO.<br>PAID BY |

| | | |
|---|---|---|
| PAYEE'S NAME AND ADDRESS | Name<br>Address<br>City<br>State, Zip | DATE INVOICE RECEIVED<br>DISCOUNT TERMS<br>PAYEES ACCOUNT NUMBER |
| SHIPPED FROM | TO | WEIGHT / GOVERNMENT B/L NUMBER |

| NUMBER AND DATE OF ORDER | DATE OF DELIVERY OR SERVICE | ARTICLES OR SERVICES (or description, item number of contract of Federal Supply Schedule, and other information deemed necessary) | QUANTITY | UNIT PRICE COST | UNIT PRICE PER | AMOUNT |
|---|---|---|---|---|---|---|
| SEE ATTACHED FORMS | Period: 0:0:00 through 0:0:00 | Official Hosted Event (See attached Expense Documentation Sheet)<br>----------or---------- | | | | $0.00 |
| (Use continuation sheet(s) if necessary) | | (Payee must NOT use the space below) | | | TOTAL | $0.00 |

| | | | |
|---|---|---|---|
| PAYMENT<br>PROVISIONAL<br>COMPLETE<br>PARTIAL<br>FINAL<br>PROGRESS<br>ADVANCE | Approved for Provisional Payment<br>Subject to later audit. =$<br>BY<br>TITLE<br>Auditor, Defense Contract Audit Agency | EXCHANGE RATE<br>=$1.00 | DIFFERENCES<br>Amount verified correct for<br>*(Signature or initials)* |

Pursuant to the authority vested in me, I certify that this voucher is correct and proper for payment

*(Date)* *(Authorized Certifying Officer)* *(Title)*

ACCOUNTING CLASSIFICATION

| | | | |
|---|---|---|---|
| PAID BY | CHECK NUMBER ON ACCOUNT OF U.S. TREASURY | CHECK NUMBER ON *(Name of bank)* | |
| | CASH<br>$ DATE | PAYEE | |

1. When stated in foreign currency, insert name of currency. PER
2. If the ability to certify and authority to approve are combined in one person one signature only is necessary; otherwise the approving officer will sign in the space provided over his official title.
3. When a voucher is receipted in the name of a company or corporation, the name of the person writing the company name, as well as the capacity in which he signs, must appear. For example, "John Doe Company, per John Smith, Secretary", or Treasurer as the case may be. TITLE

Previous edition usable NSN 7540-OC-634-4206

**PRIVACY ACT STATEMENT**

The information requested on this form is required under the provisions of 31 U.S.C. 82b and 82c, for the purpose of dispursing Federal money; the information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.

U.S. Government Printing Office 1980-201-769/00014

8/24/2005

SAMPLE

GUIDELINES FOR USE OF ORF
GOVERNMENT COMMERCIAL PURCHASE CARD

The Government Commercial Purchase Card (GCPC) for ORF is used to purchase mementos or services in the same manner as the "general purpose" GCPC. ORF GPCs should be embossed with the words, "For ORF use only".

The Agency Program Coordinator (APC) is responsible for establishing an account for each potential cardholder of ORF. The lines of accounting are unique to the ORF Program:

1) mementos (object class 260)
   ex: AA 1751804 12TX 260 (UIC) (AAA) 2D (PAA) (UIC)3 2607T

2) events (object class 250)
   ex: AA 1751804 12TX 250 (UIC) (AAA) 2D (PAA) (UIC)3 2597Q

The APC is required to designate one line of accounting (LOA) as a default LOA. When a charge is made, the purchase amount is automatically charged to the default LOA. Based on the majority of ORF expenditures by the office, the default will either be the mementos LOA or events LOA. The cardholder is responsible for reviewing/certifying their purchases on CitiDirect (CitiBank's website). Therefore, they have the ability to reallocate the purchase to the appropriate LOA if the default LOA is inappropriate.

Relevant Guidance:

1) SECNAVINST 7042.7K (Guidelines For Use of Official Representation Funds)
2) EBUSOPSOFFINST 4200.1A (DON Policies and Procedures for the Operation and Management of the Government Commercial Purchase Card Program)
3) Activity Government Purchase card Internal Operating Procedures

ORF waivers for the GPC

In June 2005, SECNAV and CNO Headquarters were granted an indefinite exception to 2 blocked Merchant Category Codes for purchases made to establishments serving or selling alcohol (bars, taverns, nightclubs and Package Stores) that are typically restricted. However, since ORF provides for hosting official events, whether entertaining in private quarters or in restaurants, the occasional purchase of alcohol may be necessary. Activities may need to request and receive an exception to the

MCCs. Exceptions are provided on a "case-by-case" basis. If field activities desire a waiver to blocked MCCs, you must submit a request to the E-BUSINESS Offices, NAVSUPSYSCOM, Philadelphia, PA (purchase_card@navsup.navy.mil).