

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

MD 4.1 ACCOUNTING POLICY AND PRACTICES DT-17-121	
<i>Volume 4:</i>	Financial Management
<i>Approved By:</i>	Maureen E. Wylie Chief Financial Officer
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<i>Cert. Date:</i>	N/A, for the latest version of any NRC directive or handbook, see the online MD Catalog .
<i>Issuing Office:</i>	Office of the Chief Financial Officer Division of the Controller
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EXECUTIVE SUMMARY <p>Management Directive (MD) 4.1, "Accounting Policy and Practices," is being revised to reflect organizational changes for Office of the Chief Financial Officer and the Office of the Chief Information Officer; comply with generally accepted accounting principles and standards; and makes updates to align with other Federal financial requirements.</p> <p>There is no handbook for this management directive; however, there is an OCFO Accounting Policy Manual for which OCFO is responsible.</p>	

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For updates or revisions to policies contained in this MD that were issued after the MD was signed, please see the Yellow Announcement to Management Directive index ([YA-to-MD index](#)).

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I. POLICY

It is the policy of the U.S. Nuclear Regulatory Commission to maintain its system of accounting and internal control in accordance with accounting principles and standards set forth in the Statements of Federal Financial Accounting Standards promulgated by the Federal Accounting Standards Advisory Board (FASAB) and to comply with the Budget and Accounting Procedures Act of 1950, as amended; the Federal Managers' Financial Integrity Act of 1982; the Chief Financial Officers Act of 1990; the Federal Financial Management Improvement Act of 1996; and the requirements of other Federal statutes and Government regulations.

II. OBJECTIVES

- Ensure compliance with financial accounting principles, standards, and related requirements issued by the FASAB, the Director of the Office of Management and Budget (OMB), and the Comptroller General.
- Ensure compliance with guidance prescribed by OMB for annual financial statements, with Governmentwide information standards (e.g., the U.S. Government Standard General Ledger), and with other external financial reporting requirements.
- Maintain accounting control over all revenues, costs, expenses, appropriations, obligations, funds, property, and other assets of NRC consistent with providing reasonable assurance that all assets are safeguarded against waste, loss, unauthorized use, and misappropriation.
- Properly record and account for revenues and expenditures applicable to NRC operations so that accounts and reliable financial and statistical reports may be prepared, accountability of the assets may be maintained, and full financial disclosure of all resources managed may be provided.

- Provide timely and reliable accounting results using the accrual basis of accounting for allocating resources; for preparation and support of budget requests; for recognizing the full cost of NRC programs, activities, and outputs; and for controlling the execution of the budget.
- Capture and produce financial information required to support the assessment of program performance, financial performance, and financial management performance.
- Provide for the maintenance, retention, and control of fiscal documents and records for management and audit purposes.

III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY

A. Chief Financial Officer (CFO)

1. Establishes and maintains systems of accounting and internal controls as required by the Chief Financial Officers Act of 1990 (31 U.S.C. 902 (a) and 3512(b)) and the Federal Managers' Financial Integrity Act of 1982.
2. Submits to the Director of OMB an audited financial statement for the preceding fiscal year, as required by the Chief Financial Officers Act of 1990 (31 U.S.C. 3515(a) and (b) and 31 U.S.C. 3521(e)) and amended by the Government Management Reform Act of 1994.
3. Reviews, on a biennial basis, fees and other charges imposed by the agency for services and things of value it provides and makes recommendations on revising the charges to reflect costs incurred by NRC in providing those services and things of value as required by the Chief Financial Officers Act of 1990 (31 U.S.C. 902(a)(8)).
4. Establishes, maintains, and oversees the interpretation and implementation of policies, standards, and general procedures of accounting and related reporting essential to financial integrity, efficient financial management, and safeguarding of NRC funds and property.
5. Ensures that applicable accounting principles, standards, and requirements are incorporated into agency accounting systems as required by the Chief Financial Officers Act of 1990 (31 U.S.C. 902(a)(3)(A)), the Federal Financial Management Improvement Act of 1996 (31 U.S.C. 3512 note), and Management Directive (MD) 4.3, "Financial Management Systems."
6. Provides technical accounting advice and guidance to office directors and regional administrators and their staffs on their responsibility for the direct performance of accounting functions and on the financial implications of proposed courses of action.
7. Establishes and maintains an internal control program for NRC program and administrative activities, including a system that reasonably ensures NRC's managers take the necessary action to determine that controls are functioning as intended or are modified as conditions change.

8. Reports the financial status of NRC and the results of its operations; furnishes financial reports to those responsible for managing NRC operations; and provides data for the establishment of fees, the full cost of NRC programs, and other matters needed for the sound financial management of NRC operations.
9. Prepares and issues an annual financial management report required by the Chief Financial Officers Act of 1990 (31 U.S.C. 902(a)(6)).
10. Reviews and approves financial reports and financial statements prepared by all agency offices for transmittal to the Chairman, the Commission, OMB, the President, Congress, or external groups, to assure consistency with Federal financial accounting principles and standards.
11. Exercises authority to sign fiscal and other financial and accounting documents on behalf of NRC pursuant to the NRC Chairman's memorandum to the CFO dated January 8, 1997, set forth in Exhibit 1 of this directive.
12. Documents financial management systems and processing instructions in either hard copy or electronic form in accordance with the requirements of OMB Circular A-127, including the Federal Financial Management Systems Requirements. Maintains the instructions on a current basis and makes them readily available for examination.
13. Maintains an Office of the Chief Financial Officer (OCFO) Accounting Policy Manual setting forth the policies and general procedures of accounting and related reporting to be followed by NRC.
14. Establishes and oversees the implementation of policies, standards, and general procedures of accounting for internal use software development projects. Establishes policy for capitalization of information technology (IT) software set forth in Exhibit 2 of this directive.
15. Submits special purpose financial statements to the U.S. Department of the Treasury (U.S. Treasury) for the compilation of the Financial Report of the U.S. Government, as required by amendments to OMB Bulletin No. 01-02 and U.S. Treasury Financial Manual, Volume 1, Part 2, Chapter 4700, "Agency Reporting Requirements for the Financial Report of the U.S. Government" (<http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf>).

B. Inspector General (IG)

In accordance with the Chief Financial Officers Act of 1990—

1. Audits the annual financial statements in accordance with Government Auditing Standards and OMB requirements as required by 31 U.S.C. 3521(e).
2. Submits to the Chairman a report on the audit of the annual financial statements, as required by 31 U.S.C. 3521(f).

3. Submits to the Chairman a report on management's assertion about the effectiveness of internal control, and a report of compliance with laws and regulations, as required by amendments to the current version of OMB Bulletin No. 01-02.
4. Audits the Closing Package financial statement in accordance with Government Auditing Standards as required by amendments to the current version of OMB Bulletin No. 01-02 and U.S. Treasury Financial Manual, Volume 1, Part 2, Chapter 4700, "Agency Reporting Requirements for the Financial Report of the U.S. Government" (<http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf>).

C. Office of the Chief Information Officer (OCIO)

1. Maintains a centralized inventory of agency IT software as required by OMB Circular A-130. The inventory captures descriptive information provided by NRC offices.
2. In support of the annual audited financial statements, provides OCFO access to a centralized (maintained by the OCIO) inventory of IT software that identifies all agency capitalized IT software purchased, developed, leased, and retired consistent with guidelines for capitalization of IT software in Exhibit 2 of this directive.
3. Plays a significant role in IT decisions, including annual and multi-year planning, programming, budgeting, execution, reporting, management, and oversight functions inline with OMB Memorandum M-15-14, "Management and Oversight of Federal Information Technology," which provides implementation guidance for the Federal Information Technology Reform Act (FITARA), enacted on December 19, 2014.

D. Director, Office of Administration (ADM)

1. Maintains physical inventory control of all NRC-owned capitalized property (except computer software) and all NRC-acquired expendable supplies and materials in accordance with applicable accounting principles and standards.
2. Provides a report of reconciled capitalized property inventory to the Division of Controller (DOC), OCFO, on the basis of periodic physical inventory of all NRC-owned property.
3. Provides a monthly report to DOC of capitalized property acquired, disposed of, or retired since the previous report.
4. Coordinates the control of capitalized IT software with OCIO to ensure that NRC-funded, NRC-owned software acquired under interagency agreement projects is identified in accordance with Handbook 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)," Section VIII; Handbook 11.8, "Procedures for Managing Property Acquired Through "NRC/DOE Projects," Section X; and guidelines for capitalization of IT software in Exhibit 2 of this directive.

E. Office Directors and Regional Administrators

1. Ensure that accounting information (e.g., accounting classification codes) is complete and accurate on accounting documents and when entered into the agency accounting system.
2. Review and verify accounting information in agency accounting system reports for completeness and accuracy.
3. Ensure that IT project managers adhere to agency policies for internal use software development projects and follow the general guidelines set forth in Exhibit 2 of this directive and the memorandum issued by the CFO on April 26, 2005, titled "Adherence to NRC Policies and Procedures - Accounting for Internal Use Software."

F. Director, Division of the Controller (DOC), Office of the Chief Financial Officer (OCFO)

1. Administers the fiscal and accounting functions and maintains the general ledger accounts for NRC.
2. Exercises authority to sign fiscal and accounting documents as set forth in Exhibit 1 of this directive and as otherwise delegated.
3. Approves all changes of NRC accounting principles and standards, approves revisions to the OCFO Accounting Policy Manual, and requests interpretation of and implements Statements of Federal Financial Accounting Standards issued by the FASAB.
4. Prepares reports on the financial status of NRC and the results of its operations.
5. Prepares quarterly and annual financial statements in accordance with OMB requirements and consistent with applicable accounting principles, standards, and requirements, as required by the Chief Financial Officers Act of 1990 (31 U.S.C. 3515(a) (b)).
6. Prepares quarterly submissions in accordance with the DATA Act.
7. Provides technical advice, assistance, and interpretation to agency senior managers on the NRC's financial reporting, accounting, financial policy, financial systems, and financial operations activities, including commercial, employee, and Government payments.
8. Develops and administers policies, standards, and procedures for all financial operation activities of NRC.
9. Provides time and labor, travel, payment, and fiscal services for NRC. Manages the NRC Central Allowance.

10. Appoints authorized certifying officers in accordance with applicable legal and Department of the U.S. Treasury requirements and pursuant to the NRC Chairman's memorandum to the CFO, dated January 8, 1997.
11. Manages the NRC Central Allowance for the agency's small offices and the agency's travel allocations with the exception of the OIG.
12. Provides debt management services to NRC in coordination with U.S. Treasury requirements.
13. Develops and administers policies, standards, and procedures for all NRC financial systems and for NRC accounting and license fee activities. Develops and maintains financial systems for general accounting, cost accounting, fees, and capitalized property.
14. Maintains operational responsibility and oversight for the budget formulation system, time and labor system, e-travel system, task assignment control system, and the agency core accounting system.
15. Provides technical advice and overall coordination for agency financial systems.
16. Defines requirements for, coordinates, and oversees an agency wide financial internal controls program to comply with the Federal Managers' Financial Integrity Act of 1982 and OMB Circular A-123.
17. Maintains liaison with U.S. Government Accountability Office (GAO), U.S. Treasury, OMB, and other agencies on accounting, financial systems, and reporting matters.

G. Budget Director, Division of Planning and Budget (DPB), OCFO

1. Manages the agency's Planning, Budgeting, and Performance Management (PBPM) Process.
2. Provides agency senior management with independent analyses of policy, program, and resource issues.
3. Manages the budget formulation and resource/performance management process.
4. Develops and maintains policies, procedures, and operations to formulate and implement the approved NRC budget.
5. Develops and administers NRC authorization and appropriation legislation.
6. Oversees the agency's administrative control of funds.
7. Approves and issues advice of allowances and financial plans.
8. Administers the NRC's licensee fee program and provides managerial oversight of NRC's license fee policy functions. Develops and publishes the NRC's fee rule each year. Formulates standards and procedures for license fee policy. Interprets license

fee regulations (10 CFR Parts 170 and 171). Processes Part 170 license fee waiver and exemption requests.

9. Manages the production and publication of the agency's annual Performance and Accountability Report.
10. Maintains liaison with OMB and congressional committees, as directed.
11. Exercises authority to sign fiscal and accounting documents set forth in Exhibit 1 of this directive and as otherwise delegated.

IV. APPLICABILITY

The policy and guidance in this directive apply to all NRC employees.

V. DIRECTIVE HANDBOOK

There is no handbook associated with MD 4.1. Instead, there is an OCFO Accounting Policy Manual, available at <http://drupal.nrc.gov/ocfo>, for which OCFO is responsible. The accounting policy manual contains office procedures relevant to this directive to ensure that applicable agency objectives identified in Section II of this directive are met. Office procedures address the following specific Federal requirements:

1. GAO Policy and Procedures Manual for Guidance of Federal Agencies
 - (a) Title 4, "Claims."
 - (b) Title 6, "Pay, Leave, and Allowances."
 - (c) Title 7, "Fiscal Guidance."
2. Office of Management and Budget (OMB) Circulars
 - (a) A-11, "Preparation, Submission and Execution of the Budget," June 30, 2015 (revised annually).
 - (b) A-25, "User Charges," July 8, 1993.
 - (c) A-102, "Grants and Cooperative Agreements with State and Local Governments," August 29, 1997.
 - (d) A-123, "Management's Responsibility for Internal Control," December 21, 2004.
 - (e) A-127, "Financial Management Systems," January 9, 2009.
 - (f) A-129, "Policies for Federal Credit Programs and Non-Tax Receivables," January 20, 2013.
 - (g) A-130, "Management of Federal Information Resources," November 28, 2000.

- (h) A-134, "Financial Accounting Principles and Standards," May 20, 1993.
- (i) A-136, "Financial Reporting Requirements," August 4, 2015 (revised annually).
- 3. Statements of Federal Financial Accounting Concepts (SFFAC)
 - (a) No. 1, "Objectives of Federal Financial Reporting," September 2, 1993.
 - (b) No. 2, "Entity and Display," June 6, 1995.
 - (c) No. 3, "Management's Discussion and Analysis," June 8, 1999.
 - (d) No. 4, "Intended Audience and Qualitative Characteristics for the Consolidated Report of the United States Government," January 27, 2003.
 - (e) No. 5, "Definitions and Basic Recognition Criteria for Accrual-Basis Financial Statements," December 26, 2007.
 - (f) No. 6, "Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information," February 4, 2009.
 - (g) No. 7, "Measurement of the Elements of Accrual-Basis Financial Statements in Periods after Initial Recording," August 16, 2011.
- 4. Statements of Federal Financial Accounting Standards (SFFAS)
 - (a) No. 1, "Accounting for Selected Assets and Liabilities," March 30, 1993.
 - (b) No. 3, "Accounting for Inventory and Related Property," October 27, 1993.
 - (c) No. 4, "Managerial Cost Accounting Concepts and Standards for the Federal Government," July 31, 1995.
 - (d) No. 5, "Accounting for Liabilities of the Federal Government," December 20, 1995.
 - (e) No. 6, "Accounting for Property, Plant, and Equipment," November 30, 1995.
 - (f) No. 7, "Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting," as amended October 2001.
 - (g) No. 10, "Accounting for Internal Use Software," October 9, 1998.
 - (h) No. 12, "Recognition of Contingent Liabilities Arising From Litigation: An Amendment of SFFAS No. 5, Accounting for Liabilities of the Federal Government," February 5, 1999.
 - (i) No. 15, "Management's Discussion and Analysis," August 12, 1999.
 - (j) No. 21, "Reporting Corrections of Errors and Changes in Accounting Principles," September 30, 2001.

- (k) No. 22, "Change in Certain Requirements for Reconciling Obligations and Net Cost of Operations," October 22, 2001.
- (l) No. 30, "Inter-Entity Cost Implementation," August 15, 2005.
- (m) No. 34, "The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board," July 28, 2009.
- (n) No. 39, "Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statements on Auditing Standards," August 4, 2010.
- (o) No. 40, "Definitional Changes Related to Deferred Maintenance and Repairs," May 11, 2011.
- (p) No. 42, "Deferred Maintenance and Repairs," April 25, 2012.
- (q) No. 44, "Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use," January 3, 2013.
- (r) No. 47, "Reporting Entity," December 23, 2014.

VI. REFERENCES

Code of Federal Regulations

5 CFR Part 1315, "Prompt Payment."

10 CFR Part 15, "Debt Collection Procedures."

10 CFR Part 16, "Salary Offset Procedures for Collecting Debts Owed by Federal Employees to the Federal Government."

10 CFR Part 170, "Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services under the Atomic Energy Act of 1954, As Amended."

10 CFR Part 171, "Annual Fees for Reactor Licenses and Fuel Cycle Licenses and Materials Licenses, Including Holders of Certificates of Compliance, Registrations, Quality Assurance Program Approvals and Government Agencies Licensed by the NRC."

31 CFR Parts 900–904, "Federal Claims Collection Standards."

Federal Accounting Standards Advisory Board (FASAB)

Statements of Federal Financial Accounting Concepts (SFFAC), available at <http://www.fasab.gov>.

Statements of Federal Financial Accounting Standards (SFFAS), available at <http://www.fasab.gov>.

General Services Administration

Federal Acquisition Regulation, available at
<https://www.acquisition.gov>.

Federal Management Regulation, available at
<http://www.gsa.gov/federalmanagementregulation>.

Federal Property Management Regulation, available at
<http://www.gsa.gov/portal/category/102735>.

Government Accountability Office (GAO)

Decisions of the Comptroller General of the United States, available at
<http://www.gao.gov/legal>.

GAO General Policy and Procedures Manual for Guidance of Federal Agencies
GPPM-97-SE, available at <http://www.gao.gov/products/GPPM-97-SE>.

Nuclear Regulatory Commission

OCFO Accounting Policy Manual, available at
<http://drupal.nrc.gov/ocfo>.

Management Directive—

4.2, “Administrative Control of Funds.”

4.3, “Financial Management Systems.”

4.4, “Internal Control.”

4.6, “License Fee Management Program.”

9.20, “NRC Organization and Functions, Office of the Chief Financial Officer.”

11.1, “NRC Acquisition of Supplies and Services.”

11.7, “NRC Procedures for Placement and Monitoring of Work with the
U.S. Department of Energy (DOE).”

11.8, “NRC Procedures for Placement and Monitoring of Work with Federal Agencies
other than U.S. Department of Energy (DOE) Laboratory Work.”

13.1, “Property Management.”

14.1, “Official Temporary Duty Travel.”

14.2, “Relocation Allowances.”

NRC Memorandum from Chairman Shirley Ann Jackson to the Acting Chief Financial Officer
Ronald Scroggins, “Delegations of Authority,” January 8, 1997 ([ML12156A033](#)).

NRC Memorandum from Jessie L. Funches, Chief Financial Officer, to Those on the Attached List, "Adherence to NRC Policies and Procedures - Accounting for Internal Use Software," April 26, 2005 ([ML051170062](#)).

NRC Memorandum from Reginald W. Mitchell, Controller, Office of the Chief Financial Officer, to Those on the Enclosed List, "Adherence to U.S. Nuclear Regulatory Commission Policies and Procedures - Accounting for Internal Use Software," August 29, 2012 ([ML12243A467](#)).

Office of Management and Budget (OMB) Circulars

OMB Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements," October 16, 2000, available at <https://www.whitehouse.gov/sites/default/files/omb/assets/omb/bulletins/b01-02.pdf>.

OMB Circulars, available at http://www.whitehouse.gov/omb/circulars_default/.

A-123, "Management's Responsibility for Internal Control," December 21, 2004.

A-127, "Financial Management Systems," January 9, 2009.

A-130, "Management of Federal Information Resources," November 28, 2000.

OMB Memorandum M-15-14, "Management and Oversight of Federal Information Technology," June 10, 2015, available at <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2015/m-15-14.pdf>.

U.S. Treasury Financial Manual, Volume 1, Part 2, Chapter 4700, "Agency Reporting Requirements for the Financial Report of the U.S. Government," available at <http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf>.

United States Code

Antideficiency Act (31 U.S.C. 1341-42, 1349-51, and 1511-19).

Budget and Accounting Procedures Act of 1950, as amended (31 U.S.C. 3511-3515 and 3521).

Chief Financial Officers Act of 1990, as amended (31 U.S.C. 501-506, 901-903, 3512(a) and (b), 3515, 3521 (e)-(h), and 9105-9106).

Debt Collection Act of 1982, subsequently amended by Pub. L. No. 101-552 and Pub. L. No. 104-134 (31 U.S.C. 3701-3720).

Department of the Treasury — U.S. Treasury Financial Manual, U.S. Treasury Circulars, Bulletins, and Management Letters.

Digital Accountability and Transparency (DATA) Act (Public Law 113-101, 128 Stat 1146).

Documentary Evidence Requirement for Government Obligations (31 U.S.C. 1501).

Economy Act of 1932, as amended (31 U.S.C. 1535).

Federal Financial Management Improvement Act of 1996 (31 U.S.C. 3512 et seq.).

Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 et seq. and 31 U.S.C. Chapter 11).

Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486 and 41 U.S.C. 255).

General Accounting Office Act of 1996, which amends 5 U.S.C. 5584 and 31 U.S.C. 3529 (Pub. L. 104-316).

Independent Offices Appropriations Act of 1952, Title V (31 U.S.C. 9701).

Omnibus Budget Reconciliation Act of 1990, as amended (42 U.S.C. 2214).

Prompt Payment Act of 1982, as amended (31 U.S.C. 3901 et seq.).

Recording Statute (31 U.S.C. 1501(a) and 1502(a)).

EXHIBIT**Exhibit 1 Delegations of Authority to Sign or Approve Fiscal and Accounting Documents**

ACTION	DELEGATED TO	REFERENCES
1. Approve transfer of appropriation to another Federal agency (SF 1151)		
<ul style="list-style-type: none"> a. Transfer without benefit to transferring account b. Transfer for establishment of transfer appropriation for benefit of advancing account 	Controller, DOC	<p>31 U.S.C. 1531(a)(1) at http://www.law.cornell.edu/uscode/search/display.html?terms=1531&url=/uscode/html/uscode31/usc_sec_31_00001531----000-.html</p> <p>I TFM 2-2060.20 at http://tfm.fiscal.treasury.gov/v3/p2/c2000.html</p> <p>31 U.S.C. 1532 at http://www.law.cornell.edu/uscode/search/display.html?terms=1532&url=/uscode/html/uscode31/usc_sec_31_00001532----000-.html</p> <p>I TFM 2-2035.10 and 2035.20 at http://www.fms.treas.gov/TFM/vol1/v1p2c200.html</p>
2. Issue orders revoking or suspending a license for nonpayment of license fees	CFO	<p>Delegation by Chairman to CFO, 1-8-97</p> <p>10 CFR 2.202 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part002/part002-0202.html</p> <p>10 CFR 15.29 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0029.html</p> <p>10 CFR 170.41 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part170/part170-0041.html</p> <p>10 CFR 171.23 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part171/part171-0023.html</p>

ACTION	DELEGATED TO	REFERENCES
3. Certifying officers (payments), Secure Payments System (SPS) security administrators, and cashiers		
a. Designate certifying officers, SPS security administrators, SPS users, SPS data entry operators, designated agents to receive U.S. Treasury checks and bonds for distribution, and appoint principal and alternate cashiers (FMS Form 2958)	Controller, Deputy Controller, DOC	I TFM 4-1135 & 4-1140 I TFM 4-1145 & 4-1150 I TFM 4-1155 & 4-1160 http://www.fms.treas.gov/TFM/vol1/v1p4c110.txt
b. Certify payments to other Federal agencies (SF 1081)	Controller, DOC	I TFM 2-2535.10 at http://www.fms.treas.gov/TFM/vol1/v1p2c250.txt
c. Request decisions regarding propriety of payment (1) from OGC, if payment is \$100 or less, regardless of payment type (2) from GSA for temporary duty travel, transportation, and relocation expenses (3) from OPM for personnel compensation and leave (4) from U.S. Treasury for judgments	Certifying Officers Controller, Deputy Controller, DOC	31 U.S.C. 3529 at http://www4.law.cornell.edu/uscode/31/3529.html OMB Determination Order, 12-17-96 at http://www.whitehouse.gov/omb/foia/gc_dec17.pdf DOJ Order 2110.39A CG Decision B-275605, 3-17-97 at http://redbook.gao.gov/18/f10085060.pdf OGC opinion, 5-28-96 7 GAO 8.3

ACTION	DELEGATED TO	REFERENCES
3. Continued		
<p>(5) from Department of Defense for claims by transportation carriers for amounts collected from them for loss or damage incurred to property incident to shipment at Government expense</p> <p>(6) from OGC and, if determined appropriate by OGC, the CG for matters involving use of appropriated funds</p> <p>(7) from OGC for all other types of claims</p>		
<p>d. Grant relief to a certifying officer of liability for any payment found not to be proper, to include an overpayment of transportation services made to a common carrier</p>	<p>CG and OGC (for over \$100) OGC (\$100 or less)</p>	<p>31 U.S.C. 3528(b) & (c) at http://www4.law.cornell.edu/uscode/31/3528.html</p> <p>DOJ Order 2110.39A</p> <p>7 GAO 8.8 and 8.11</p> <p>CG Decision B-275605, 317-97 at http://redbook.gao.gov/18/fl0085060.pdf</p> <p>OGC opinion, 5-28-96</p>

ACTION	DELEGATED TO	REFERENCES
3. Continued		
e. Approve prompt payment discounts	Controller, Deputy Controller, DOC	MD 11.1 at http://www.nrc.gov/reading-rm/doc-collections/management-directives/ 31 U.S.C. 3904 at http://www4.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003904----000-.html
f. Approve making payment up to 7 days prior to the required payment date, or earlier as determined by the agency to be necessary on a case-by-case basis	Controller, Deputy Controller, DOC	31 U.S.C. 3903 (a)(8) at http://www4.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003903----000-.html
4. Payment of Certain Liabilities		
a. Approve tort claims (1) Up to \$2,500 (2) Over \$2,500	Controller, DOC OGC	MD 7.1 at http://www.nrc.gov/reading-rm/doc-collections/management-directives/ MD 7.1 at http://www.nrc.gov/reading-rm/doc-collections/management-directives/
b. Approve claims for personal property damage or loss	Controller, DOC	MD 7.2 at http://www.nrc.gov/reading-rm/doc-collections/management-directives/
c. Approve amounts due deceased public creditors	Controller, Deputy Controller, DOC	4 GAO 5 Sect. 35.2
d. Approve claims relating to loss or damage to shipments	Controller, Deputy Controller, DOC	4 GAO 8 Sect. 53
e. Recommend payment of meritorious claims	OGC	31 U.S.C. 3702(d) at http://www4.law.cornell.edu/uscode/31/usc_sec_31_00003702----000-.html

ACTION	DELEGATED TO	REFERENCES
4. Continued		
f. Approve interest penalties on late payments under the Prompt Payment Act (1) Up to \$2,500 (2) Over \$2,500	Controller, Deputy Controller, DOC Controller, DOC	MD 11.1 at http://www.nrc.gov/reading-rm/doc-collections/management-directives/ 31 U.S.C. 3902 at http://www4.law.cornell.edu/uscode/31/usc_sec_31_00003902----000-.html
g. Approve additional interest penalties under the Prompt Payment Act	Controller, Deputy Controller, DOC	MD 11.1 at http://www.nrc.gov/reading-rm/doc-collections/management-directives/ 31 U.S.C. 3902(c)(3) at http://www4.law.cornell.edu/uscode/31/usc_sec_31_00003902----000-.html
5. Debt Collection		
a. Terminate, suspend, or compromise collection action (1) Up to \$10,000 (2) Over \$10,000 and up to \$100,000 (3) Over \$100,000	Controller, Deputy Controller, DOC CFO DOJ	31 U.S.C. 3711(a) at http://www4.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003711----000-.html OMB Cir. A-129 at https://www.whitehouse.gov/omb/circulars_default/
b. Approve or deny waiver of erroneous overpayment of pay and travel allowances (1) Up to \$1,500 (2) Over \$1,500 (must be supported by OGC opinion)	CFO CFO	5 U.S.C. 5584 at http://www4.law.cornell.edu/uscode/search/display.html?terms=5584&url=/uscode/html/uscode05/usc_sec_05_00005584----000-.html OMB Determination Order, 12-17-96 DOJ Order 2210.39A OGC opinion, 5-28-96 OPM's OGC Opinion, 06-07-99

ACTION	DELEGATED TO	REFERENCES
5. Continued		
c. Approve options for settlement of employee indebtedness	Controller, DOC	<p>MD 10.62, Section 037(c) at http://www.nrc.gov/reading-rm/doc-collections/management-directives/</p> <p>10 CFR 15.33 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0033.html</p> <p>10 CFR 16.15 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part016/part016-0015.html</p>
d. Approve referring commercial debt to credit reporting agency	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	OMB Cir. A-129 at http://www.whitehouse.gov/omb/circulars_default/
e. Approve referring delinquent debtor to credit reporting agency	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	<p>OMB Cir. A-129 at http://www.whitehouse.gov/omb/circulars_default/</p> <p>31 U.S.C. 3711 at http://www4.law.cornell.edu/uscode/uscode31/uscode31_sec_31_00003711----000-.html</p> <p>31 CFR 901.5 at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr901_03.html</p> <p>10 CFR 15.26 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0026.html</p>

ACTION	DELEGATED TO	REFERENCES
5. Continued		
f. Approve referring uncollectible accounts to debt collection agency	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	<p>OMB Cir. A-129 at http://www.whitehouse.gov/omb/circulars_default/</p> <p>31 U.S.C. 3718 at http://www4.law.cornell.edu/uscode/31/3718.html</p> <p>10 CFR 15.32 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0032.html</p> <p>31 CFR 901.5 at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr901_03.html</p>
g. Assess a penalty charge of up to 6 percent for not paying a part of a debt more than 90 days past due	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	<p>31 U.S.C. 3717(e)(2) at http://www4.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003717----000-.html</p> <p>10 CFR 15.37(g) at http://www4.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003717----000-.html</p>
h. Assess a charge for cost of processing a delinquent claim	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	<p>31 U.S.C. 3717(e)(1) at http://www4.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003717----000-.html</p> <p>10 CFR 15.37(f) at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0037.html</p>

ACTION	DELEGATED TO	REFERENCES
5. Continued		
i. Waive collection of interest, penalties, and administrative costs (1) Up to \$100 (2) \$100.01 to \$500 (3) \$500.01 to \$5,000 (4) Over \$5,000	Accounts Receivable Contractor Accounts Receivable Branch Chief Controller, Deputy Controller, DOC CFO	31 U.S.C. 3717(h) at http://www4.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003717----000-.html 10 CFR 15.37(j) and 10 CFR 15.37(k) at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/full-text.html#part015-0037 31 CFR 901.9 at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr901_03.html
j. Furnish information to OGC who will forward to appropriate U.S. Attorney upon the filing of a petition in bankruptcy by a debtor	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	10 CFR 15.39 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0039.html
k. Refer claim to DOJ	Controller, DOC	10 CFR 15.67 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0067.html 31 CFR 904.1 at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr904_03.html
l. Refer claim to DOJ for advice when there is doubt whether collection action should be suspended or terminated	Controller, DOC	10 CFR 15.65 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0065.html 31 CFR 904 at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr904_03.html

ACTION	DELEGATED TO	REFERENCES
5. Continued		
m. Refer a debtor's firm written offer of compromise that is substantial in amount to DOJ if there is uncertainty on accepting offer	Controller, DOC	31 CFR 904.1(b) at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr904_03.html 10 CFR 15.65 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0065.html
n. Approve installment payment plan for repayment of debt to NRC	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	10 CFR 15.35(b) at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0035.html 31 CFR 901.8 at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr901_03.html
o. Appoint hearing official for employee disputing a debt	CFO	10 CFR 16.9 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part016/part016-0009.html
p. Approve salary offset for recovery of erroneous payment	Controller, DOC	5 U.S.C. 5512(a) at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2000_uscode&docid=5usc5512 10 CFR 16.15 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part016/part016-0015.html
q. Approve offset of amount owed by a separated employee against CSRS or FERS funds	Controller, DOC	31 CFR 901.3 at http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr901_03.html 10 CFR 15.33(b) at http://www.nrc.gov/reading-rm/doc-collections/cfr/part015/part015-0033.html 10 CFR 16.13(a)(8) at http://www.nrc.gov/reading-rm/doc-collections/cfr/part016/part016-0013.html

ACTION	DELEGATED TO	REFERENCES
5. Continued		
r. Approve referral of delinquent debt to U.S. Treasury for offset against tax refund	Controller, DOC	31 U.S.C. 3720A at http://www.law.cornell.edu/uscode/search/display.html?terms=3720a&url=/uscode/html/uscode31/usc_sec_31_00003720---A000-.html
6. Approve MOUs under GSA contracts		
a. Government Travel Card b. Travel Management Center	Deputy CFO Deputy CFO	MD 11.8 at http://www.internal.nrc.gov/policy/directives/toc/md11.8.htm
7. Issue standard financial reports to central agencies		
a. Report on Budget Execution (SF 133)	Controller, DOC	OMB Cir. A-11 at http://www.whitehouse.gov/omb/circulars_default/
b. U.S. Treasury Report on Receivables Due From the Public (TROR)	Controller, Deputy Controller, Chief, Accounts Receivable Branch, DOC	OMB Cir. A-129 at http://www.whitehouse.gov/omb/circulars_default/ U.S. Treasury Memo, 8-17-94 9-12-07 Memo to CFO
c. Reports on International Transactions	Controller, DOC	D. Comm. Dir 19
d. Statement of Transactions (SF 224)	Controller, Deputy Controller, Chief, Financial Reporting and Analysis Branch, DOC	I TFM 2-3300 at http://www.fms.treas.gov/TFM/vol1/v1p2c330.html 31 U.S.C. 3512 at http://www.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003512---000-.html
e. Unexpended Balances of Appropriations and Funds (FMS Form 2108)	Controller, DOC	31 U.S.C. 3513 at http://www.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00003513---000-.html I TFM 2-4200 at http://www.fms.treas.gov/TFM/vol1/v1p2c420.html
f. Apportionment and Reapportionment Schedule (SF 132)	Budget Director, DPB	OMB Cir. A-11 at http://www.whitehouse.gov/omb/circulars_default/

ACTION	DELEGATED TO	REFERENCES
7. Continued		
g. Quarterly Financial Statement and Flux Analysis	Controller, Deputy Controller, DOC	NRC Internal Control Procedures
h. Quarterly Intra-governmental Status of Disposition Certification and Intra-governmental Closing Package Material Differences/Status of Disposition Certification Report	Controller, Deputy Controller, Chief, Financial Reporting and Analysis Branch, DOC	Federal Intra-governmental Transactions Policy Guide
i. Intra-governmental Closing Package Material Differences/Status of Disposition Certification Report	Controller, Deputy Controller, Chief, Financial Reporting and Analysis Branch, DOC	TFM Chapter 4700 at http://tfm.fiscal.treasury.gov/v1/p2/c470.html
j. Closing Package/GFRS	Controller, Deputy Controller, Chief, Financial Reporting and Analysis Branch, DOC	TFM Chapter 4700 at http://tfm.fiscal.treasury.gov/v1/p2/c470.html
k. CFO Representations for Federal Intra-governmental Activity and Balances	Controller, Deputy Controller, Chief, Financial Reporting and Analysis Branch, DOC	TFM Chapter 4700 at http://tfm.fiscal.treasury.gov/v1/p2/c470.html
l. GTAS Adjusted Trail Balance	Controller, Deputy Controller, Chief, Financial Reporting and Analysis Branch, DOC	TFM Chapter 4700 at http://tfm.fiscal.treasury.gov/v1/p2/c470.html
m. US Standard General Ledger (USSGL) Voting Board Representative	Controller, Deputy Controller, Chief, Financial Reporting and Analysis Branch, DOC	USSGL Board Statement of Purpose and Bylaws at https://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm

ACTION	DELEGATED TO	REFERENCES
8. Develop for CFO signature proposed and final rules, including annual revisions to fee regulations in 10 CFR 170 and 171 that do not involve significant policy issues	Budget Director, DPB	Delegation by Chairman to CFO, 2-18-97 5 U.S.C. 551(4) at https://www.gpo.gov/fdsys/pkg/USCODE-2010-title5/pdf/USCODE-2010-title5-partI-chap5-subchapII-sec551.pdf
9. Approve or deny requests for exemption under 10 CFR Parts 170 and 171	CFO	Delegation by Chairman to CFO, 1-8-97 10 CFR Part 170.11 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part170/part170-0011.html 10 CFR Part 171.11 at http://www.nrc.gov/reading-rm/doc-collections/cfr/part171/part171-0011.html

EXHIBIT 1 - NOTES

Delegations of signature or approval authority are in accordance with cited reference. Limitations on further redelegations of authority that the CFO redelegates are stipulated. See MDs 14.1 and 14.2 for delegations of signature authority for travel documents.

“Certifying officers” as used in this exhibit refers only to those individuals designated to certify payments to the U.S. Treasury and does not refer to “funds certifying officers” or other “certifying officials.”

The following abbreviations are used:

CFO	Chief Financial Officer, NRC
CFR	<i>Code of Federal Regulations</i>
CG	Comptroller General of the United States
CSRS	Civil Service Retirement System
D. Comm. Dir.	Department of Commerce directive
DOJ	Department of Justice
FASB	Federal Accounting Standards Advisory Board
FERS	Federal Employees' Retirement System
FMS Cashier M	FMS (U.S. Treasury Financial Management Service) Manual of Procedures and Instructions for Cashiers
GAO	Government Accountability Office (“4 GAO” indicates Title 4 of the GAO Policy and Procedures Manual)
GSA	General Services Administration
MD	NRC Management Directive
MOU	Memorandum of Understanding
OF	Optional Form
OGC	Office of the General Counsel, NRC
OMB	Office of Management and Budget
OMB Cir.	Office of Management and Budget Circular
OPM	Office of Personnel Management
SF	Standard Form
SPS	Secure Payments System
TFM	U.S. Treasury Financial Manual (“I TFM” indicates Volume I of the TFM)
U.S. Treasury	Department of the Treasury
U.S.C.	United States Code

Exhibit 2 Guidelines for Capitalization of Information Technology Software

1. Information technology (IT) software includes the application and operating system programs, procedures, rules, and any associated documentation pertaining to the operation of a computer system. The software must be intended to meet the NRC's internal needs. The software may be purchased, internally developed, or contractor developed.
2. IT software with a planned estimated useful life of 2 years or more and a planned total cost of equal to or greater than the NRC capitalization threshold, currently \$50,000, shall be capitalized, with the following exceptions:
 - (a) "Analytical codes" represent research and development software costs and therefore should not be capitalized. "Analytical codes" are analytical tools and models used to research safety issues and are constantly revised as a result of increased understanding of the complex interactions of some aspect of nuclear regulatory activities.
 - (b) IT efforts to take corrective or adaptive action to keep IT software performing as originally designed should not be capitalized.
 - (c) IT efforts associated with the preliminary project stage before the IT capital planning and investment control process approval of a development project should not be capitalized.
3. Leased IT software shall be classified as a capital lease if it covers 2 years or more, meets the capitalization threshold, and meets one or more of the following four criteria:
 - (a) The lease transfers ownership of the IT software to NRC by the end of the lease term.
 - (b) The lease contains an option to purchase leased IT software at a bargain price.
 - (c) The lease term is equal to or greater than 75 percent of the estimated economic life of the leased IT software.
 - (d) The present value of rental and other minimum lease payments, excluding that portion of the payments representing executory cost, equals or exceeds 90 percent of the fair value of the leased property.
 - (e) The last two criteria are not applicable when the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased IT software.

4. IT software shall be considered to be impaired, and therefore retired, for any of the following reasons:
 - (a) The software is no longer expected to possess substantive service potential and will be removed from service.
 - (b) Significant reduction occurs in the capabilities, functions, or uses of the software.
 - (c) A significant program change is required for the software to continue to perform the functions it performed in the past.
5. NRC staff costs and indirect costs attributable to capitalized IT software need to be separately identified and capitalized if incurred.