



DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

SECNAVINST 7042.7L  
ASN(FM&C)/FMB-7  
30 Jun 2020

SECNAV INSTRUCTION 7042.7L

From: Secretary of the Navy

Subj: USE OF OFFICIAL REPRESENTATION FUNDS

Ref: See enclosure (1)

Encl: (1) References  
(2) Definitions  
(3) Responsibilities  
(4) Listing of Eligible Officials  
(5) Authorized Uses of ORF  
(6) ORF Guest Ratios  
(7) Procedures for Requesting Funds

1. Purpose. To implement references (a) through (i), and to establish policy for the administration, control, and use of Official Representation Funds (ORF) within the Department of the Navy (DON). This instruction has been administratively revised and should be reviewed in its entirety.

2. Cancellation. SECNAVINST 7042.7K; Under Secretary of the Navy (UNSECNAV) Memo, "Approval, Use and Review of Official Representation Funds within the Navy Secretariat" of 14 Mar 1983; and UNSECNAV Memo, "Approval, Use and Review of Official Representation Funds within the Navy Secretariat" of 13 Mar 1996.

3. Applicability. This instruction applies to the Office of the Secretary of the Navy (Secretariat); the Office of the Chief of Naval Operations (OPNAV); Headquarters, U.S. Marine Corps (HQMC); all U.S. Navy and U.S. Marine Corps (USMC) installations, commands, activities, and field offices; and all other organizational entities within the DON.

4. Procedures. Procedures and guidelines that must be followed in implementing this policy are located in enclosures (1) through (7).

5. Authority

a. Reference (a) authorizes the Secretary of the Navy (SECNAV) to provide for any Emergency or Extraordinary Expenses (EEE) which cannot be anticipated or classified. EEE funds are part of the annual Operation and Maintenance, Navy appropriation provided by reference (b). ORF are a subset of EEE, and do not constitute a separate program account. ORF may be spent for purposes determined to be proper by the SECNAV, within the limitations of appropriations made available for such purpose and provided that such use is consistent with the general policies and guidelines set forth in reference (c).

b. The SECNAV may authorize the limited use of ORF by certain DON officials for official courtesies covered by this instruction. Such authority may be re-delegated to senior officials within the Secretariat and to Flag and General Officers (FO/GO) who are military heads of Navy or USMC commands or activities. Requests for an allocation of ORF, either annual or individual, shall be submitted in writing through the Assistant Secretary of the Navy (Financial Management & Comptroller) (ASN (FM&C)), Office of Budget (FMB-7) at least 10 working days prior to requirement.

c. A DON official who receives an annual ORF allocation through funding authority documents, or an official who receives a sub-allocation of ORF authority, is referred to as an ORF Designated Official (DO). DOs may use allocated ORF for official courtesies and purposes specifically covered in this instruction. DOs with joint, unified, or non-United States (U.S.) command responsibility may only use funds provided by the SECNAV to host events held in their DON capacity.

d. Only the SECNAV, the Chief of Naval Operations (CNO), or the Commandant of the Marine Corps (CMC) may extend invitations to foreign dignitaries to visit the U.S. at the expense of the DON. As authorized in this instruction, ORF may be used to support SECNAV-, CNO-, and CMC-hosted events. Navy and USMC components are not authorized to use ORF for foreign dignitary travel and lodging expenses for visits to U.S. shore installations.

6. Policy. ORF shall be used only to maintain the standing and prestige of the U.S., and shall be administered through the procedures established by the SECNAV. Within the DON, ORF may

be used to host official functions, and to otherwise extend official courtesies to certain officials and dignitaries of the U.S. and foreign countries as guests of the U.S., Department of Defense (DoD), and the DON. Such uses may provide for international relations, DON protocol, community and public relations, and other expenses not specifically provided for by other appropriations. The following conditions apply to DON ORF expenditures:

a. ORF may be used to provide for authorized expenses at DON and DoD sponsored events. Authorized expenses include modest official courtesies described in enclosure (5).

b. ORF expenditures made for official courtesies shall be modest and not wasteful or extravagant from the perspective of the general public. Such expenditures must comply with the socially acceptable mores of American society while jointly serving the policy objectives of the U.S. and the interest of the taxpayer.

c. DOs shall personally monitor the use of ORF and ensure the integrity of every ORF expenditure. ORF expenditures shall be justified and documented. Items purchased with ORF must be strictly accounted for and shall not be co-mingled with other inventories.

d. ORF shall not be used for any purpose provided for by another appropriation, or any unauthorized expense as described in enclosure (5). Under no circumstance may ORF expenses be charged to non-ORF funds to avoid EEE limitations or ORF approval requirements.

e. For official courtesies and purposes related to, but not specifically addressed in, this instruction, ORF may be expended if approved by a Designated Waiver Authority (DWA). The DWA shall only provide final approval for uses of ORF not specifically covered in this instruction after making a determination that no other funding source is authorized, and the intended use is consistent with the general policies and guidelines set forth in this instruction.

f. Within the DON, ORF-eligible events are normally hosted by (and always sponsored by) Presidentially Appointed, Senate-confirmed (PAS) officials, FO/GO, or members of the Senior Executive Service (SES). When a DO determines that hosting an

event below the level of a PAS official or FO/GO/SES official is appropriate, based on the circumstances of the event, the DO may delegate hosting responsibilities for that event in writing.

g. DON-hosted events shall be subject to DoD guidelines for ratios of DoD personnel (including spouses) to authorized non-DoD guests in accordance with enclosure (6).

h. Cost should be kept to a minimum as a general operating procedure, and: for breakfast events, expenditures should not exceed \$30 per person; for lunch events, expenditures should not exceed \$50 per person; and for dinner events, expenditures should not exceed \$100 per person.

7. Responsibilities. See enclosure (3).

8. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page:  
<https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx>

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.



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#### **REFERENCES**

- (a) 10 U.S.C. §127
- (b) Annual Appropriations Act(s)
- (c) DOD Instruction 7250.13 of 30 June 2009
- (d) DEPSECDEF Memo OSD 76576-04, Accountability of DoD Sponsored Foreign Personnel in the United States, of 18 May 2004
- (e) DoD 7000.14-R, DoD Financial Management Regulation
- (f) 10 U.S.C. §2773a
- (g) 31 U.S.C. §3528
- (h) 5 U.S.C. §7342(a)(5)
- (i) DFAS-IN Regulation 37-1

Enclosure (1)

## DEFINITIONS

1. Accountable Official/Representation Funds Custodian. An individual appointed by proper authority who is responsible in the performance of their duties to provide a certifying officer with information, data, or services that the certifying officer directly relies upon in the certification of vouchers for payment. Accountable officials are peculiarly liable for illegal, improper, or incorrect payments in certain cases, in accordance with reference (f). Duties include maintaining item records and/or financial records in connection with Government property, irrespective of whether the property is in his or her possession for use or storage, or is in the possession of others to whom it has been officially entrusted for use or for care and safekeeping.
2. Approving Official. An individual who has responsibility for one or more Government Commercial Purchase Card cardholders or is responsible for approving travel vouchers using the Defense Travel System. In the ORF context, an approving official may be a designated official, or may be a separate official responsible for executing a designated official's approval.
3. Authorized Guests. Individuals listed in enclosure (4) who qualify for official courtesies, and all members of their official party. Authorized guests may include an individual who is a spouse, family member, or other person whose role is to accompany or escort a member of the official party.
4. Authorizing Official (or Officer). An individual who approves a transaction, and verifies and validates that the funds cited on a commitment or obligation document are accurate and available.
5. Certifying Official. An individual designated to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher or other documents. A certifying official is peculiarly liable for payments in accordance with reference (g).
6. Components. Subordinate organizations of the DON and military services, including commands, activities, offices, etc.

7. Current Inventory Record. A current inventory record is maintained by ensuring that the inventory record is continuously in agreement with the inventory stock on hand. Each change to the inventory, such as the purchase of additional inventory, usage or transfer of items out of the inventory, is entered into the record as the action or event occurs.

8. DoD Personnel. DoD personnel include members of the U.S. Armed Forces; DoD civilian employees, political appointees, and civilian aides to the SECNAV; students of the military academies; members of the Reserve Forces on active duty; members of the Army and Air National Guard; retired military and DoD civilian employees not holding a position of prominence outside the DoD community; spouses or authorized guests of DoD personnel; the widow or widower of a DoD military or civilian who held the grade of 4-star admiral, general, or equivalent; and any foreign national working for a DoD component, except those hired pursuant to a DoD contract.

9. Designated Official. A DON official or commander, not lower than a PAS or GO/FO/SES, issued (1) written authority to expend ORF; and (2) funding authorization documents containing Operation and Maintenance budget authority and limitation. A DO may also be the head of an organization that receives a sub-allocation of ORF. A DO is authorized to extend official courtesies on behalf of the U.S. Government to eligible individuals. Except for departmental offices of the SECNAV and service headquarters offices of the CNO and the CMC, ORF sub-authorizations shall only be granted to military heads of activities or commands under the jurisdiction or military control of the DON and shall not be sub-authorized within an activity or command.

10. DWA. An official with authority to approve DON ORF policy exceptions and the use of ORF for official representation expenses not specifically covered in this directive. The SECNAV and UNSECNAV have unlimited DWA authority. The CNO, CMC, and ASN (FM&C) may issue approvals up to \$25,000. The CNO and CMC may further delegate DWA to the Vice Chief of Naval Operations (VCNO) and Assistant Commandant of the Marine Corps (ACMC), respectively, but may not further delegate DWA except as specifically authorized by the SECNAV, UNSECNAV, or this directive.

11. Gift. An item presented to honor or otherwise recognize an individual or organization, or that is exchanged with authorized guests and non-DOD hosts during official ORF events and visits.

12. Internal Controls. The manner in which financial, manpower, and property resources are to be controlled and safeguarded by regular authorization, approval, documentation, recording, reconciling, reporting, and related accounting processes.

13. Inventory/Property Custodian. A person designated to have custodial responsibility for Government property in his or her possession.

14. Inviting Official. A DoD military member or civilian employee authorized to extend invitations to ORF events.

15. Justification. A statement of intended expenditures, and a demonstrated connection to a DON mission requirement that demonstrates how the expense is necessary to maintain the standing and prestige of the U.S.

16. Memento. A gift presented or received with the intent and purpose to remind the recipient of somebody or something. These items, such as coins, paperweights, lapel pins, and plaques, generally have little intrinsic value.

17. Official Courtesies. Appropriate expenditures necessary to maintain the standing and prestige of the U.S. These may include those expenses listed at enclosure (5). Other expenses may be approved with specific justification.

18. Official DoD Party. The individuals described in enclosure (4) who are authorized to have costs associated with official courtesies (such as food and beverages) paid with ORF.

19. Official Party. The combined total members in the official authorized guest or visiting party, and DoD attendees allowed by the authorized ratios and who meet the criteria for using ORF.

20. Pecuniary Liability. The personal financial liability for fiscal irregularities of disbursing and certifying officials and departmental accountable officials as an incentive to guard against errors and theft by others and also to protect the



government against errors and dishonesty by the officers themselves.

21. Professional Staff. Includes employees of the U.S. Congress (e.g., Congressional committee staff members, legislative clerks, etc.), and may include staff members employed by individual members of Congress (e.g., Military Legislative Assistants, Chiefs of Staff, etc.) on certain occasions.

22. Protocol Office. Establishes and executes protocol programs, and identifies requirements, including customs and courtesies during Navy and Marine Corps ceremonies, conferences, and social events, when hosting distinguished visitors and providing honors afforded at military funerals.

23. Self-Paying Guest. A DoD or non-DoD person who uses personal funds to pay a pro rata share of the costs for his or her participation in an ORF event.

## **RESPONSIBILITIES**

1. Responsibilities. DON personnel who receive ORF allocations shall program, budget, and account for the resources necessary to support ORF requirements and submit them to the (ASN (FM&C)) in preparation for the Secretariat Review Board not later than 30 January of the calendar year. Additionally, the following responsibilities are assigned:

a. SECNAV. The SECNAV provides for EEE and establishes policy and guidance governing the use of ORF within the DON.

(1) The SECNAV approves the annual DON funding program for ORF, including limitations on ORF expenses.

(2) The SECNAV provides final approval authority for all uses of ORF, including uses not specifically covered by this instruction, provided that such use is consistent with the general policies and guidelines set forth in reference (c). Additionally, the SECNAV may authorize or limit authority to approve DON ORF policy exceptions to DWAs, to the extent permitted by law, and consistent with the general policies and guidelines set forth in reference (c).

(3) The SECNAV may authorize the limited use of ORF by DOs for official courtesies considered appropriate according to established DON and DoD policy and guidance.

b. UNSECNAV. The UNSECNAV assists the SECNAV in the overall policy and administration of ORF, and shall ensure the highest order of propriety and integrity of all ORF expenditures. The UNSECNAV is a DO and DWA.

c. ASN (FM&C). The ASN (FM&C) assists the SECNAV and UNSECNAV in the overall policy and administration of ORF, and shall ensure the highest order of propriety and integrity of all ORF expenditures. The ASN (FM&C) will:

(1) Provide ORF policy guidance and updates.

(2) Budget and account for resources necessary to support ORF requirements within the DON, including the Secretariat, Navy, and USMC.

(3) Obtain the SECNAV's approval on the annual funding program for ORF, and allocate fund limitations on SECNAV, Navy, and USMC funding authorization documents.

(4) Issue a memorandum of authority, normally at the beginning of the Fiscal Year, authorizing the expenditure of ORF by DOs.

(5) Review ORF expenditures.

(6) Prior to ORF distributions, take action on requests for exceptions, or make recommendations to the SECNAV or UNSECNAV, as necessary and appropriate.

(7) Authorize the use of ORF for official representation expenses not specifically covered by this instruction, provided that such use is consistent with the general policies and guidelines for ORF. The ASN (FM&C) shall obtain a legal opinion on all requests of a type for which there is no prior legal opinion or precedent. Expenses authorized under this delegation may not exceed \$25,000.

(8) Approve DON ORF policy exceptions, provided that such action is consistent with law and reference (c). The ASN (FM&C) shall also evaluate requests for policy exceptions and uses of ORF for official representation expenses not specifically covered by this instruction. The ASN (FM&C) shall ensure that such exceptions and uses are appropriately justified and consistently applied within the DON. The ASN (FM&C) will provide final approval or concurrence as a DWA, or make recommendations to the SECNAV or UNSECNAV, as necessary and appropriate.

(9) Provide quarterly reports on the execution of ORF to the Office of the Under Secretary of Defense (Comptroller) not later than 30 calendar days following the quarter being reported.

d. Assistant Secretaries of the Navy (ASNs), General Counsel (GC), Deputy UNSECNAV (DUSN), and Chief of Legislative Affairs (CLA). The ASNs, GC, DUSN, and CLA are DOs and may authorize the use of ORF for official representation expenses for functions and occasions in connection with their official duties which are in strict compliance with this instruction. Prior to allocation, ASN (FM&C) concurrence will be obtained for

all expenditures. SECNAV approval is required for exceptions to policy.

e. CNO and CMC. As the DO and DWA for their respective services, the CNO and CMC may authorize the use of ORF within their annual allocation. Additionally, the CNO and CMC shall perform the following Service responsibilities:

(1) Authorize the use of ORF for official representation expenses not specifically covered by this instruction, provided that such use is consistent with reference (c) and this instruction. The CNO and CMC shall coordinate DWA decisions with the ASN (FM&C) to ensure that such authorizations are consistently applied within the DON.

(2) Approve DON ORF policy exceptions to the extent permitted by law and reference (c). The CNO and CMC shall coordinate with the ASN (FM&C) to ensure that such authorizations are consistently applied within the DON. The CNO or CMC shall obtain a legal opinion on all expenditures that have no prior legal opinion or precedent. Expenses authorized under this delegation may not exceed \$25,000. This authority may be further delegated to the VCNO and ACMC respectively, but may not be further delegated, except as follows:

(a) CNO. The CNO may re-delegate Navy policy exception authority to the Director, Navy Staff; Commander, Fleet Forces Command; U.S. Naval Forces Central Command, Commander, U.S. Pacific Fleet; and Commander, Naval Forces Europe/Africa, 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 4(o) of enclosure (5).

(b) CMC. The CMC may re-delegate USMC policy exception authority to the Director, Marine Corps Staff; 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 4(p) of enclosure (5).

f. DO. DOs, including the CNO, CMC, and others who receive ORF allocations, shall personally monitor the use of ORF to ensure its use is consistent with the general policies and

guidelines set forth in this instruction. Additionally, DOs shall:

(1) Program, budget, and account for the resources necessary to support ORF requirements.

(2) Ensure the propriety, integrity, and proper documentation of all ORF expenditures. DOs shall ensure that courtesies are not wasteful or extravagant, and invite only the minimum number of guests necessary to extend proper courtesy.

(3) Expend ORF in accordance with this instruction, properly document expenditures, and report resources received and expended in accordance with reference (e) and enclosure (7).

(4) Ensure compliance with fiscal laws and regulations concerning appropriated funds and their use for official representation purposes. The DO will obtain legal review of requests that are of a type for which there is no prior legal opinion or precedent.

(5) Ensure compliance with procurement laws and regulations related to funding contract actions with ORF.

(6) Ensure all DON personnel involved in the planning, execution, and processing of ORF understand and comply with applicable law, regulation and policies, including this instruction.

(7) Ensure that all DON 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.

(8) Ensure that all expenditure documentation, DON ORF policy exceptions and special expense approval documentation is maintained and provided to the ASN (FM&C) for periodic review as required.

g. Other responsible officials. DON accountable officials, approving officials, authorizing officials, certifying

officials, and contracting officers, in matters concerning the use of ORF, shall comply with fiscal and contracting laws and regulations that govern appropriated funds.

## 2. Executive Agent Assignments

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

b. The 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 SECNAV is assigned as Executive Agent.

c. When the SECNAV is assigned as Executive Agent, the escort officer will receive ORF from OSD for visits sponsored by the Secretary of Defense (SECDEF), and from ASN (FM&C) for visits sponsored by the Chairman of the Joint Chiefs of Staff (CJCS). All expense documents will be forwarded to the office originating the financing. Any visit to points of national interest, on its own or as part of a broader visit, is the responsibility of the 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.

d. Except as provided in subparagraph 2(a), expenses incurred under this paragraph will be charged to the account of the inviting official. Escort officers may request an advance of funds from the ASN (FM&C) through the appropriate ORF subprogram manager. Upon completion of the visit, the escort officer will provide a comprehensive accounting of expenses.

**LISTING OF ELIGIBLE OFFICIALS**

1. Guests of the U.S. Eligible for Official Courtesies

a. Foreign Personnel. Distinguished citizens, military personnel, and government officials of foreign countries whose grade, position, function, or stature clearly justify the extension of official courtesies by the U.S. Government.

b. U.S. Government Leaders. Federal, state, county, and local officials whose grade, position, function, or stature clearly justify the extension of official courtesies by the U.S. Government, such as:

(1) President and Vice President of the U.S.

(2) Current members of the President's Cabinet.

(3) Members of Congress and professional staff, including professional staff of Congressional committees and appropriate personal staff of Members of Congress (e.g., military legislative assistants) whose position or function clearly justify the extension of official courtesies by the U.S. Government.

(4) Other U.S. Government officials and dignitaries comparable to those DoD officials listed at Section 2 below. Comparable officials do not include current DoD officials.

(5) State governors and members of state legislatures.

(6) County Executives.

(7) Mayors.

c. Prominent U.S. Citizens. U.S. citizens who have made a substantial contribution to the nation or DoD, and whose grade, position, function or stature clearly justifies the extension of official courtesies by the U.S. Government, such as:

(1) Presidents of chambers of commerce, boards of trade, or similar positions of leadership in citizens' committees.

(2) Executives and senior officials of private sector businesses. Designated officials must take special care when extending official courtesies to such officials in order to avoid any appearance of impropriety and ensure compliance with applicable contracting, ethics, and conflict of interest rules.

(3) Former DoD military or civilian executives who held the grade of O-10 or equivalent.

(4) Recognized leaders in their fields of expertise.

(5) Members of the media on appropriate occasions.

(6) Retired or former DoD civilian or military officials who have made a substantial contribution to the U.S., DoD, or the DON, independent of their past DoD service or DoD employment. However, prior status within the DoD shall not factor in determining whether these individuals qualify.

## 2. DoD Officials Eligible for Official Courtesies on Official Visits to the Field

### a. OSD

(1) SECDEF and Deputy Secretary of Defense (DEPSECDEF)

(2) Under Secretaries of Defense

(3) Chief Management Officer

(4) Assistant Secretaries of Defense

(5) General Counsel of the Department of Defense

(6) Inspector General of the Department of Defense

(7) Department of Defense Chief Information Officer

(8) Assistants to the Secretary of Defense

(9) Director, Cost Assessment and Program Evaluation

(10) Director, Operational Test and Evaluation



b. Joint Chiefs of Staff (JCS)

- (1) CJCS and Vice Chairman of the JCS
- (2) Combatant Commanders
- (3) Deputy Commander, U.S. European Command
- (4) Director of the Joint Staff

c. Military Departments

- (1) Secretaries and Under Secretaries
- (2) Assistant Secretaries and General Counsel
- (3) Chiefs and Vice Chiefs of Staff of the Army and Air Force
- (4) CNO and VCNO
- (5) CMC and ACMC

d. Other

- (1) Chief Judge and Associate Judges of the U.S. Court of Appeals for the Armed Forces
- (2) Directors of Defense Agencies
- (3) Directors of DoD Field Activities
- (4) President, Uniformed Services University of Health Sciences

3. Spouses

a. Spouses of foreign or U.S. officials are not eligible for official courtesies when attending an event on their own and the attendance is solely on the basis of marital status. However, spouses and accompanying guests, invited under circumstances described in paragraph b., may be considered part of an ORF-eligible official's party when determining appropriate guest ratios.

b. Normally, DON personnel may not invite a guest, such as a spouse, to accompany them to an ORF-funded event as a member of the official party. Spouses or accompanying guests may, however, be included in the official party at such events when spouses or authorized guests are invited and expected to attend, and the DO determines that attendance of DON spouses or accompanying guests is appropriate and desirable under the circumstances.

## **AUTHORIZED USES OF ORF**

1. Official courtesies will be in keeping with propriety as dictated by the occasion and conducted on a modest basis to maintain the standing and prestige of the U.S. at home and abroad. Official courtesies and ORF-related expenses may be used to support events for personnel listed at enclosure (4), including expenses of the official party and authorized U.S. escort officers and interpreters when required. The following categories and uses are provided to assist in planning ORF expenditures.

### 2. Authorized Categories of Official Courtesies.

a. International Relations. Modest courtesies in honor of foreign personnel as specified in enclosure (4). Such events may include receptions, meals, or entertainment events.

b. Community Relations. Modest courtesies in honor of U.S. Government leaders as specified in enclosure (4). Such events may include receptions, meals or amenities, including receptions to enable newly assigned commanders or appropriate senior officials to meet local dignitaries and officials.

c. Public Relations. Modest courtesies in honor of prominent U.S. citizens as specified in enclosure (4).

d. DoD Protocol. Modest courtesies incidental to a visit by DoD personnel as specified in enclosure (4).

#### e. Other Expenses.

(1) Mementos and non-perishables, such as packaged food items, alcohol, disposable serving items and refreshments, to include coffee, tea, and associated condiments purchased for official events not covered in the above categories. These items must be placed into an ORF inventory, and their usage strictly controlled and documented.

(2) Items not assigned a specific function, such as Government Commercial Purchase Card (GCPC) rebates and adjustments.

3. Authorized Uses of ORF. The following ORF expenses may be approved by DOs:

- a. Lodging.
- b. Food, meals, and refreshments.
- c. Reasonable labor and gratuities for services rendered by non-government personnel.
- d. Disposable supplies, such as napkins, place settings, cups, and table cloths.
- e. Decorations, including:
  - (1) Flower and/or candle arrangements for receptions/meals.
  - (2) Floral wreaths, modest decorations, and awards in observance of foreign national holidays and similar occasions taking place in foreign countries.
  - (3) Flowers when used as an official courtesy while attending funerals for representational purposes.
- f. Alcoholic beverages for evening receptions or dinners. Alcoholic beverages should be ordered in limited quantities to ensure they are consumed during the approved ORF event. Any alcohol purchased for use at an ORF event held at a commander's quarters or on a ship must be entered into an ORF inventory record and its use recorded in event documentation.
- g. Rental of appliances, tables, chairs, glasses, plates, cutlery, tablecloths, tents, and other event support items directly related to providing official courtesies. Event planners shall consider the most cost-effective and efficient use of resources, including government-owned, rental, lease, or purchase alternatives.
- h. Official communications made by U.S. escort personnel that relate directly to the official visit.
- i. Valet services (e.g., laundry and dry cleaning) which normally would not have been incurred except for travel associated with an authorized guest's travel incident to a DON invitation.

j. Taxi fares and vehicle rental fees when Government transportation or other Government-rented vehicles are not available.

k. Fees for travelers checks and debit cards necessary to support the mission.

l. Entertainment, such as sporting events, theaters, museums, concerts, and sightseeing tours. Such expenses are allowable only for distinguished citizens, military officers, and government officials of foreign countries described in section 1(a) of enclosure (4), and members of their official party. ORF ratios do not apply.

m. Gifts and mementos, consistent with the following guidance:

(1) Except as provided in paragraph (2), only DOs, and those officials delegated authority to host ORF events and extend official courtesies may present gifts and mementos funded by ORF.

(2) Other officials may present gifts and mementos only in exceptional circumstances, if specifically authorized in writing by a DO.

(3) The aggregate cost of a gift presented by any one DoD official to any authorized guest at a DoD-sponsored event may not exceed minimal value, as defined in reference (h). The current limit is \$390.

(4) ORF shall not be used to fund gifts for DoD officials, or their spouses, unless specifically authorized by this instruction. DON organizations may purchase mementos costing no more than \$50.00 for presentation to DoD officials listed at enclosure (4). Appropriate mementos may include coins, paperweights, lapel pins, plaques, and similar items of little intrinsic value.

(5) When on official visits to foreign countries and field activities outside the National Capital Region (NCR), the SECNAV, UNSECNAV, ASNs, GC, CNO, VCNO, CMC, ACMC, Master Chief Petty Officer of the Navy, Sergeant Major of the Marine Corps, and all GO/FO/SES may present mementos costing no more than \$50 to non-DoD individuals not included in enclosure (4), such as interpreters, drivers, hotel staff, etc.

(6) Gifts and mementos should reflect uniquely American, DON, military service, unit, or other appropriate themes that may be relevant or significant to the particular event at which the gift will be presented. For example, an appropriate gift to an ORF-eligible official who attends a sunset parade hosted by the CMC may include a print of the Iwo Jima Memorial or the U.S. Capitol, and an appropriate ORF gift for an event at Joint Base Pearl Harbor Hickam hosted by the Commander, Pacific Fleet may include an item made of koa wood.

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

(8) Gifts may be personalized with the organization, the title, and the name of the presenter; however, personalized gifts shall be ordered in very limited quantities to ensure that they are used within the current fiscal year and during the named official's tenure.

(9) Gifts of alcohol products may not be purchased with ORF, unless approved in advance by the CNO, CMC, ASN (FM&C), VCNO, ACMC, DNS, or DMCS, for their respective service or the DON Secretariat.

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

(11) All gifts and mementos shall be purchased in accordance with applicable fiscal law and regulations. For example, an organization may purchase individual gift items for appropriate occasions, or in amounts that the organization reasonably expects to present during the fiscal year in which purchased. Additionally, DON activities shall establish internal controls to account for all gifts and mementos purchased with ORF.

n. Expenses for official courtesies that are minimally required to host military and civilian officials of the DoD, listed in paragraph 2 of enclosure (4), when they are on official visits to field activities not within the NCR. ORF 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 enclosure (6) do not apply to events hosted for officials listed in paragraph 2 of enclosure (4).

4. Unauthorized Uses of ORF. The following ORF expenses are not authorized, unless an exception is specifically approved by a DWA after coordination with the ASN (FM&C):

a. Any expense not specifically authorized in this instruction, unless approved by a DWA in advance of the commitment of funds.

b. Personal items, such as clothing (except for authorized mementos), toiletries, cigarettes, hair and beauty care, shoe shines, and souvenirs.

c. Personal telephone calls or transportation that does not involve official duties.

d. Gifts, mementos, flowers, or similar items to be presented by authorized guests.

e. Gifts for DoD officials, unless otherwise authorized by this instruction. Under no circumstances may mementos for visiting DoD officials be purchased with standard Operations and Maintenance funds, or with Morale, Welfare, and Recreation funds.

f. Holiday or greeting cards, calling cards, invitations, or other printed matter, including photographs and mailing costs. This prohibition does not apply to official communications authorized in paragraph 3(h), or to authorized guests under the DoD Senior Foreign Official Visit Program (SFOVP) or DON foreign counterpart visit programs.

g. Membership fees, dues, and similar expenses.

h. Repairs, maintenance, and renovation projects, etc., to enhance the appearance of DoD facilities.

i. Classified projects for intelligence purposes.

j. Expenses in connection with the Guest Cruise Program, except for a single social function hosted by the SECNAV in honor of ORF-eligible individuals and guests.

k. Gifts and expenses in connection with DoD members' (and spouse) recreation activities, concerts, sight-seeing tours, and the purchase of sundry items (e.g., snacks) in lodging, unless authorized in connection with the SFOVP or DON foreign counterpart visit programs.

l. Social or entertainment functions hosted by, and gifts or mementos presented by, spouses of DON personnel. 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 SECDEF, DEPSECDEF, SECNAV, CJCS, CNO, or CMC; and for official visits by these officials and their spouses to foreign countries.

m. Expenses in connection with conferences, seminars, conventions, working groups, routine inter- or intra-agency meetings, and similar events. However, use of ORF is authorized for one official, DoD-hosted function (e.g., dinner, reception, or luncheon) that includes ORF-eligible guests and complies with the ratios set forth in enclosure (6).

n. Expenses, other than authorized official courtesies for ORF-eligible guests, in connection with ceremonies for keel laying, launchings, commissioning, recommissioning and decommissioning of naval ships, and establishing and disestablishing shore installations.

o. Expenses in connection with retirement and change-of-command ceremonies and receptions for DoD personnel, except for those specifically approved in advance. Requests must include a mission justification, an itemized estimate of costs and a list of proposed DoD attendees and authorized guests, to include their title and ORF-eligible position, as applicable. Requests must be forwarded to the applicable official listed in paragraph 1e(2)a-b in enclosure (3) no later than 10 working days before issuance of invitations. Invitations may not be issued prior to approval.

p. Expenses for DoD personnel 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 ORF-eligible individuals. ORF may be used to fund a pro rata share of expenses of ORF-eligible guests and members of their party.



q. Expenses, including labor or gratuities, for military or civilian employees in connection with official events. These individuals are not considered members of the official party, and ORF shall not be used to defray their expenses.

r. Expenses for any purpose which may be properly charged to other programs or appropriations.

## ORF GUEST RATIOS

1. Guest Ratios. To ensure that official entertainment costs are modest, the guidelines for ratios of authorized guests (including spouses or accompanying guests) to DoD personnel (including spouses) are as follows:

a. Parties of fewer than 30 persons. A minimum of 20 percent of invitees expected to attend must be authorized guests.

b. Parties of 30 or more persons. A minimum of 50 percent of invitees expected to attend must be authorized guests.

2. Guest Validation. DOs should limit invitations to the minimum number required to extend appropriate courtesies. While the applicable ratio may technically allow invitation of a greater number of personnel, DOs should validate the need for the participation of each attendee whose participation is paid for with ORF. DON personnel shall not invite unnecessary individuals to reach the maximum level allowed by the appropriate guest ratio.

### 3. Guest Characterizations

a. DoD personnel (attendees). Personnel in the following categories are counted as DoD personnel for purposes of computing ORF guest ratios.

(1) Foreign military personnel assigned in an exchange capacity to the DoD host activity or who are assigned to an organization which operates as a subordinate part of a U.S. command (and their spouses). This does not include Foreign Liaison Officers.

(2) Active duty military and civilian employees of the DoD; students of the military academies; reservists on active duty; members of the National Guard; retired military and civilian employees of the DoD not holding a position of prominence in the non-DoD community; spouses of personnel in the preceding categories; and the widow or widower of a military officer or DoD civilian executive who held the grade of O-10 (4-star General, Admiral, or equivalent grade).

b. Authorized guests (ORF-eligible attendees). Authorized guests include, among others, the following.

(1) Guests of the U.S. listed in paragraph 1 of enclosure (4).

(2) DoD Officials listed in enclosure (4), while on official visits to the field and honored by the extension of official courtesies.

4. Cost Sharing. Self-paying guests and DoD personnel in excess of the authorized ratios may attend functions by paying (from personal funds) a pro rata share of the additional expenses incurred due to their attendance. Such attendance shall be recorded as a separate part of the official guest list.

a. Pro rata expenses are determined by dividing the additional event expenses by the number of DoD attendees in excess of the ratios. All DoD attendees who are in excess of the number of DoD attendees allowed by the authorized ratios or who do not meet the criteria for using ORF must pay their pro rata share of the costs when attending events.

b. If the DO desires, the additional expenses incurred due to attendance of DoD personnel in excess of the ratio may be shared and collected from all the DoD attendees, to include those DoD personnel allowed by the authorized ratios who meet the criteria for using ORF and those DoD attendees who are either in excess of the authorized ratios or who do not meet the criteria for using ORF.

c. DoD personnel are not required to pay a pro rata share when ratios are distorted due to unforeseen cancellations or "no-shows" by authorized guests.

5. Scope. Guest ratios apply to event expenditures only. When calculating ratios, expenses incurred for individual ORF-eligible officials, such as gifts and mementos, travel, and other discrete expenses listed at enclosure (5) are not included in the total event cost.

6. ORF Ratio Examples

a. SAMPLE EVENT 1: An official guest list contains 22 people. Three of the guests are non-DoD individuals authorized to receive ORF courtesies.

(1) Rule: For events with fewer than 30 persons, a minimum of 20 percent of the invitees expected to attend must be authorized guests (non-DoD).

(2) Calculations:

22	Total guests expected to attend
3	Number of authorized guests (non-DoD)
20%	Applicable Ratio
$\frac{3}{0.20} = 15$	Total allowable number of official guests funded with ORF
$15 - 3 = 12$	Maximum number of DoD personnel who may be funded with ORF
$22 - 15 = 7$	DoD attendees who must pay a pro rata share in order to attend the event
\$20	Per-person cost estimate
$\$20 \times 22 = \$440$	Total event cost
$\$20 \times 15 = \$300$	Total ORF allowable
$\$440 - \$300 = \$140$	Excess Cost

(3) Conclusion:

(a) The DON host may use ORF to fund 15 official guests, including 3 authorized guests (non-DoD) and 12 DoD Personnel.

(b) The remaining 7 DoD personnel must pay a pro rata share to attend the event (\$20/per person); or the host may ask all attending DoD personnel to share the excess costs (\$7.37/per person).

b. SAMPLE EVENT 2: An official guest list contains 51 people. Ten of the guests are non-DoD individuals authorized to receive ORF courtesies.

(1) Rule: For events with more than 50 persons, a minimum of 50 percent of the invitees expected to attend must be authorized guests (non-DoD).

(2) Calculations:

51	Total guests expected to attend
10	Number of authorized guests (non-DoD)
50%	Applicable Ratio
$\frac{10}{0.50} = 20$	Total allowable number of official guests funded with ORF
$20 - 10 = 10$	Maximum number of DoD personnel who may be funded with ORF
$51 - 20 = 31$	DoD attendees who must pay a pro rata share in order to attend the event
\$20	Per-person cost estimate
$\$20 \times 51 = \$1020$	Total event cost
$\$20 \times 20 = \$400$	Total ORF allowable
$\$1020 - \$400 = \$620$	Excess Cost

(3) Conclusion:

(a) The DON host may use ORF to fund 20 official guests, including 10 authorized guests (non-DoD) and 10 DoD Personnel.

(b) The remaining 31 DoD personnel must pay a pro rata share to attend the event (\$20/per person); or the host may ask all attending DoD personnel to share the excess costs (\$15.12/per person).

## **Procedures for Requesting Funds**

1. ORF Funding Authority. Budget authority issued by the ASN (FM&C) conveys authority to use ORF. To ensure the integrity of the constraints imposed by references (a) through (c), the following guidance shall be observed.

a. Expenses incurred solely because of the authorized representation function(s) shall be charged to ORF that are a part of the Emergency and Extraordinary Expense (EEE) limitation. All ORF requests must clearly justify the expenditure of ORF.

b. Other costs required to complete the official representation mission, such as transportation and interpreter costs (when DoD assets are not available) or salary and travel costs for DoD escort personnel, shall be charged to the appropriation properly chargeable for such costs.

c. Under no circumstances may ORF expenses be charged to non-ORF funds to avoid EEE limitations.

d. Combining of ORF with any other monies (e.g., contractor, corporation or outside-DoD funds or Non-Appropriated Funds) to fund the full cost of events may only be authorized with prior approval from the ASN (FM&C). If approved, ORF shall not be commingled with other monies, and its expenditure appropriately documented. This paragraph does not preclude individuals from using personal funds to pay for additional expenses in conjunction with an ORF event -- e.g., a commander paying for some of the expenses at a change-of-command when ORF has been authorized for a reception at the same event.

e. Use of ORF to pay for requirements when other funding is authorized or to circumvent administrative or legal restrictions on the use of other appropriated or non-appropriated funds is prohibited. However, pro rata costs (e.g., food, tax, gratuity, service charges, set-up fees, bartender fees, etc.) for participation by authorized non-DoD guests in Morale, Welfare, and Recreation activities may be paid from ORF, unless otherwise prohibited.

## 2. ORF Allocations

a. Allocations of the EEE limitation authority for Miscellaneous Current Expenses (ORF) within the Operation and

Maintenance, Navy appropriation is divided into three subprograms:

(1) Sub-program No. 1 - SECNAV, CNO, VCNO, and CMC. Under the supervision of the SECNAV and administered by the ASN (FM&C) this program supports:

(a) Events, activities, and functions sponsored by the SECNAV, CNO, VCNO, CMC and approved officials within the Secretariat.

(b) Events co-sponsored by Secretariat officials with their counterparts in DoD or other military services.

(2) Sub-program No. 2 - This program supports:

(a) Commander, Navy Installations Command.

(b) Naval Education and Training Command.

(c) Military Sealift Command.

(d) Naval Reserve Force.

(e) Fleet Operating Forces (except Marine Corps Forces).

(f) All Navy and USMC shore activities, except those specifically assigned to sub-programs No. 1 and 3.

(g) 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.

(3) Sub-program No. 3 - Fleet Marine Forces and commands under the operational control thereof.

b. CNO and CMC sub-program managers shall:

(1) Submit a request for the next fiscal year ORF authority, to the ASN (FM&C), by 31 July of the current fiscal year. Such requests shall include Unit Identification Codes for any component commands or activities.

(2) Submit new or additional requests during a current appropriation period to the ASN (FM&C) for disposition. Such

requests should be forwarded at least ten working days prior to the event. This allows time for a thorough review and allows time for the legal office to review any requests that present novel questions or otherwise raise potential concerns about the proper use of ORF.

(3) Maintain ORF approval letters and expenditure reconciliation documents with the financial records for six years and three months.

(4) Ensure that semi-annual self-inspections and annual impartial inventories are accomplished.

c. The ASN (FM&C) will issue a memorandum of authority to the Secretariat, OPNAV, and HQMC to establish their ORF program. The ASN (FM&C) normally issues these memoranda at the beginning of each fiscal year. Obligation of ORF before funds are received or in excess of ORF allocations is prohibited and may violate the Anti-Deficiency Act and/or the apportionment statutes. Commitment, obligation, disbursement, and records maintenance must comply with all applicable financial rules and regulations.

3. Funds Management. Obligations and expenditures of ORF must be handled in the same manner as other appropriated funds. Commitment, obligation, disbursement, and records maintenance must comply with all applicable financial rules and regulations. Additionally, the following guidelines apply:

a. DOs shall:

(1) Appoint, in writing, an independent representation funds custodian and a certifying official to provide the necessary controls to prevent exceeding the fund limitation. The DD Form 577 (Appointment /Termination Record-Authorized Signature) will be used to appoint a certifying official; a memorandum is appropriate for appointment of a representation funds custodian. A certifying official will not simultaneously serve as a representation funds custodian. Only one of these officials should be a member of the comptroller's office. However, both officials should be knowledgeable in all aspects of fund control, obligation and expenditure, accountability, and recordkeeping. Neither the certifying official nor the representation funds custodian will be designated simultaneously as any category of paying agent or officer; however, the



certifying official may certify Government charge card vouchers for payment as the approving official.

(2) Submit to the ASN (FM&C) any requests for reimbursement of expenses incurred for an event held or gift presented before official approval for the event or gift was obtained (the SECNAV and UNSECNAV are the only officials with retroactive approval authority). Such requests for retroactive approval must contain all documentation for the request, justification of the expenditure, receipts, ratification action (if necessary), and measures taken to mitigate future incidents.

(3) Use official accounting reports to monitor ORF obligations and disbursements to ensure compliance with the fund authorization. Vouchers and supporting documentation must be readily available when requested by auditors and investigators.

(4) Personally monitor the use of ORF, review requests to ensure the highest order of propriety and integrity for all ORF expenditures and provide written approval prior to the obligation of these funds. This authority may not be delegated.

b. The representation funds custodian shall:

(1) Make sure requests for ORF expenditures have the necessary supporting documentation (e.g., written justification that includes purpose, date, and location of event; name(s) of host(s) and guest(s) of honor; names and duty titles of DoD and non-DoD invitees/expected attendees; and detailed cost estimate). Although the names of some attendees may not be known at the time of an ORF request, sufficient information about each guest must be provided for the approval authority to determine whether the guests merit ORF courtesies.

(2) Determine whether the expenditure is allowable. If the expenditure is not allowable, the representation funds custodian will return the documentation to the requestor for additional justification.

(3) Obtain a legal review for requests that are of a type for which there is no previous legal opinion or precedent.

(4) Ensure that sufficient funds are available for obligation, as evidenced by the allocation in the funding authorization document and financial reports. The

representation funds custodian will obtain an increase in limitation funds, via the sub-program manager, as needed.

(5) Forward supporting documentation and recommendation to the DO/approving official.

(6) Communicate approval to the requestor to execute the event.

(7) Ensure commitments and obligations are recorded in advance of disbursements made against the fund.

(8) Obtain all required documentation from the requestor after the event.

(9) Ensure that the foreign currency exchange rate is noted on the invoices received from vendors providing supplies or services in foreign countries. Both the amount obligated at the budgeted foreign currency exchange rate and the amount disbursed at the current exchange rate should appear on the vouchers.

(10) Prepare payment information for the certifying official. Each fiscal year, the first payment voucher submitted to the certifying official will include two copies of the memorandum of authority authorizing the expenditure of ORF. All subsequent vouchers will contain a statement that the memorandum of authority was attached to the original voucher (cite voucher number). The representation funds custodian will forward the voucher and payment-substantiating documentation to the certifying official for signature.

(11) Maintain a fund control register to record the receipt of and changes to the annual funding program. At a minimum, the register will also contain the following: voucher number of expenditure; purpose of expenditure; amount obligated and expended; and unobligated balance of the fund.

(12) Record obligations in accordance with reference (i). Record all disbursements promptly after payment by the disbursing accounting officer.

(13) Maintain a file with record copies of memorandums of authority from the ASN (FM&C), delegation and appointment documents, and DD Forms 577.

(14) Maintain a file, by fiscal year and on a function-by-function basis, of data on how and why ORF were used, including each paid voucher with attached supporting documentation. This file should contain adequate supporting documentation of approved ORF requests, policy exceptions, reconciliations, payments, self-inspections, and impartial inventory reviews.

(15) Comply with information requirements that ASN (FM&C) prescribes.

c. The certifying official shall:

(1) Certify the propriety and correctness of the payment information and submit the information to the disbursing office for payment. Each fiscal year, the first payment voucher submitted to the disbursing officer will include two copies of the memorandum of authority authorizing the expenditure of ORF.

(2) Allow, for budgetary and efficiency purposes, the authorization of marginal cost adjustments when justification and supporting documentation are provided and the de minimis increase in expense is consistent with the expressed intent of the approving official.

d. Requestors of ORF shall:

(1) Prepare supporting documentation for each use of ORF and submit it to the DO for approval in advance of an event.

(2) Provide the approval, and waivers if applicable, to the representation funds custodian in advance of the event.

(3) Provide the itemized paid receipts and actual attendance list after the event to the representation funds custodian. The final reconciliation of an ORF event must document the actual event attendance and list the name, grade, and position title of each attendee and must verify that the DoD attendance complied with ratio requirements of Enclosure (6).

(4) Serve as the departmental accountable official for providing to a certifying official information, data, or services that the certifying official directly relies upon for the certification of vouchers for payment.

4. Requests for Additional Funds, Exceptions, and Other Expenses

a. Request for an additional allocation of funds, either annual or special, should be submitted in writing through the chain of command, via the sub-program manager, to the ASN(FM&C).

b. Requests for exception to DON ORF policy and/or approval of expenses not specifically covered in this instruction must be submitted in writing through the chain of command to the appropriate DWA, as described in enclosure (3). Requests must be approved prior to any commitment of ORF. Navy and USMC DWAs will coordinate with the ASN (FM&C) prior to approving a waiver or exception to policy, and will copy the ASN (FM&C) 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 U.S.

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

(3) Date and location of the event.

(4) Cost of event or mementos, 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 current billet.

(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.

5. GCPC. The GCPC is authorized for payment of ORF expenditures and must be designated and coded solely for ORF purposes.

a. DO Responsibilities:

(1) To approve, in advance, ORF purchases made using a GCPC.

(2) To ensure personnel complete GCPC training, maintain documentation of training completion, and comply with applicable purchase card policy at all times.

b. Cardholder Responsibilities:

(1) To complete all required GCPC training and maintain certification by completing annual training requirements.

(2) To provide all required management accountability actions, and safeguard the card and items purchased with the card until accountability is accepted by the ORF inventory custodian.

6. Inventory Control

a. Items purchased with ORF shall be accounted for. They should not be commingled with non-ORF or non-appropriated fund items, nor stored with office supplies.

b. DOs will appoint, in writing, an inventory control officer, when necessary. The inventory control officer is responsible for maintaining an accurate inventory record of stock (e.g., gift items or mementos, nonperishable food items and beverages, etc.) and supplies purchased in bulk and intended to be used over a period of time.

c. Gift and memento inventories are governed by the bona fide needs rule and will be held to a minimum. When deemed appropriate by an authorized host and approved by proper authority, gifts may be personalized with the organization, title, and name of the presenter. However, personalized gifts may only be ordered in very limited quantities to ensure that they are used during that person's tenure.

d. Subvouchers showing the titles and names of the recipients and the purpose of the issue from stock will support all inventory records.

e. Any items purchased for use at a designated official's workplace (permanent or temporary duty station) or quarters, such as tableware, umbrellas, or alcohol, must be entered into inventory and its use recorded in an event documentation log. These items are used solely for ORF functions and are the property of the Government.

f. Items will be inventoried and reconciled with inventory records semiannually and when custodianship of the inventory is transferred.

g. DOs will appoint impartial personnel to reconcile inventory items and records and to take corrective action as necessary. Inventory report findings will be maintained with inventory records for audit purposes.

h. Disposal of items from ORF inventories because of damage or extenuating circumstances should be in accordance with local supply procedures to ensure proper turn-in to the Defense Reutilization and Marketing Office or another authorized disposal activity.