



**U.S. Department of  
Transportation**  
Office of the Secretary  
of Transportation

1200 New Jersey Avenue, SE  
Washington, DC 20590

# ORDER

DOT 2770.1F

March 8, 2013

**Subject: OFFICIAL RECEPTION AND REPRESENTATION EXPENSES**

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1. **PURPOSE.** This Order establishes departmental policy and financial procedures governing the distribution, use, and accounting of reception and representation funds (“R&R” or “Funds”). These funds are authorized by Congress for the purpose of establishing and maintaining relationships of value to the U.S. Department of Transportation (“Department”) and to the United States.
2. **CANCELLATION.** DOT 2770.1D, Official Reception and Representation Expenses, of June 14, 1999.
3. **BACKGROUND.**
  - a. Authority for the Department to spend funds for official R&R expenses is contained in the annual Departmental Appropriations Act in the appropriation language of the Office of the Secretary (“OST”) “Salaries and Expenses” account, which includes the following statement or its equivalent:

“. . . not to exceed \$xx,xxx shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine.”
  - b. Funds appropriated to the St. Lawrence Seaway Development Corporation (“Corporation”) are authorized to be spent for R&R purposes subject to the law as it applies to wholly owned Government corporations generally and to the Corporation specifically. The Corporation maintains its own policy and procedures governing the use and accounting of its funds for this purpose, consistent with that law. The Corporation does not receive an allocation from the Departmental appropriation.
  - c. Expenses properly chargeable to the R&R funds are those that further the interests of the Department and the United States. Expenditures will be limited to the demands of established social custom with due regard for the official status of the host and the status of the guests.

- d. The funds available for R&R purposes are extremely limited. Moreover, representation activities on behalf of the Department are inherently sensitive and subject to close scrutiny. Accordingly, it is mandatory that requests to use these funds be measured against the highest standards of essentiality, recognizing that many entirely appropriate requests simply cannot be honored within the limits of available funds.
- e. The amount and nature of any entertainment shall reflect the highest discretion and the most useful application of these funds, with due regard for the necessity of maintaining the highest standards of conduct in the Department and avoiding any personal benefit or appearance of personal benefit to any Departmental officials.
- f. Care must be taken to ensure that employees of the Federal Government are entertained through the use of these funds only when their presence is necessary to the interests of the United States.

#### 4. RESPONSIBILITY.

- a. The Assistant Secretary for Budget and Programs and Chief Financial Officer ("B-1") is responsible for issuing monetary allocations for the use of R&R funds provided in the Department's Appropriations Act.
- b. Secretarial Officers, Heads of Operating Administrations, and other officials who receive a monetary allocation for the use of R&R funds shall establish procedures to ensure that the allocation is not exceeded.
- c. Use of R&R funds requires personal authorization and supervision by the ranking official in the respective organizations receiving a monetary authorization. This responsibility requires the approval of each obligation and expenditure of R&R funds by the ranking official. For the OST and the Operating Administrations, this authority may be delegated only to the second-ranking official, and a copy of the delegation shall be sent to the OST Chief Financial Officer ("B-20").

#### 5. GUIDELINES FOR USE OF R & R FUNDS.

- a. Appropriate Functions. The following are considered to be appropriate functions or circumstances for use of R&R funds:
  - (1) Official courtesies for distinguished foreign private citizens, foreign military officials, and government officials of foreign countries whose rank, position, function, or stature justify official entertainment or other appropriate courtesies.
  - (2) Official courtesies for Federal, State, and local officials such as the President and Vice President of the United States, members of the Cabinet, members and professional staff personnel of Congress, Governors of States, mayors of

cities, representatives of citizens organizations, and other distinguished or prominent citizens who have made a contribution to the Nation.

- (3) Receptions and formal dinners for top-ranking guests of honor described in subparagraphs (1) and (2). Functions for lesser-ranking guests of honor should generally be limited to small luncheons. As a general practice, the duties of Department officials do not require that they host "business luncheons." Invitations to such luncheons shall normally be extended only when essential to international representation or to contacts with officials not employed by the Executive Branch of the Federal Government. In all cases, it should be unequivocally clear that the luncheon furthers the official business of the Department.
- (4) Other official luncheons, dinners and special occasions as may be authorized by the Secretary or Deputy Secretary.

- b. Allowable Expenses. Any expense typically associated with or incidental to the immediate function being sponsored is normally allowable. These include, but are not necessarily limited to, food and beverages, gratuities, and ceremonial presentations (protocol gifts). In some cases, a portion of the cost of a function may be appropriately paid with R&R funds, even though the entire function may not be. The purchase of alcohol with R&R funds is prohibited except when protocol demands serving alcoholic beverages to international visitors. The cost of alcoholic beverages must be broken out separately when requesting R&R funds.
- c. Guidelines for the Cost of Meals. Generally speaking, the cost of meals should not exceed the GSA Meals and Incidental Expenses (M&IE) amounts for the geographic location where the event is being held.
- d. Purchase and Management of Protocol Gifts.

(1) The Office of the Executive Secretariat (S-10,) in consultation with the Office of the Assistant Secretary for International Affairs (X), is responsible for providing oversight over protocol gifts that are purchased and utilized throughout the Department. Because protocol gifts are distributed by a number of Operating Administrations and OST Offices, this oversight is necessary to ensure that the appropriate type and level of protocol gifts are distributed and to minimize the possibility of duplication.

(2) S-10 also is responsible for purchase and management of protocol gifts for use by the Secretary and Deputy Secretary and other Secretarial Offices, except X. Because of its international mission, X maintains a separate inventory of protocol gifts for use by the Assistant Secretary and other senior X officials, using its R&R allocation.

(3) Protocol gifts in the S-10 inventory have Department of Transportation insignia. Included in the S-10 inventory are nominally priced protocol gifts that, subject to availability, can be used by the Operating Administrations (OAs) upon request.

(4) OAs can use their R&R allocations, as necessary, to purchase OA-specific protocol gifts. All purchases of protocol gifts must be submitted in advance to B-20 for approval. B-20 will coordinate with S-10 prior to approving the purchase.

(5) When an OST or OA official is representing the Secretary and a protocol gift is required, a gift with a departmental insignia from the S-10 inventory should be used. When an OA official is representing the OA, an OA-specific protocol gift should be used.

(6) OAs and OST Offices that maintain an inventory of protocol gifts must establish an inventory control system that tracks the disposition of every protocol gift purchased. At a minimum, the inventory control system must track a description of the gift, the name of the recipient, the date presented and by whom, and the printed name and signature of the OA or OST gift manager.

e. Sponsorship. Expenditure of R&R funds must always be made on behalf of and in the name of the Department of Transportation.

f. Official Host. The official host shall be a Secretarial Officer or the Head of the appropriate Operating Administration. Another Department official may be designated in writing by one of the foregoing officials to serve as host on his or her behalf.

g. Attendance by Employees of the United States at Functions.

(1) Costs attributable to the attendance of employees of the United States may be charged to these funds only when their presence is necessary to further the interests of the United States. Invitations to employees:

(a) Shall be limited to key staff personnel whose:

(i) Official duties are related to the official interest of the honored guests, or

(ii) Attendance is warranted as a means of according proper recognition to the importance of the occasion.

(b) Should include spouses only when it is determined that their presence would be particularly appropriate to the occasion.

- (2) Attendance of employees shall be completely voluntary when personal expense is involved.
- h. **Joint Functions.** Departmental officials should avoid planning more than one DOT function in connection with official visits which encompass more than one element of the Department. This can be done by arranging joint functions that serve to discharge the Department's obligations. Questions involving possible duplication of functions should be referred to B-20 for resolution.
- i. **Entertainment in Private Residences.** No function chargeable in whole or in part to R&R funds shall be held in a private residence, unless the prior written approval of the Secretary or Deputy Secretary has been obtained. As a general practice within the Department, use of R&R funds for a function held in a private residence has been reserved for the entertainment of foreign dignitaries.

6. **PROHIBITED EXPENDITURES.**

- a. No expenditures shall be made from R&R funds at any place or location or to any organizations or groups that have been found to discriminate on the basis of race, religion, color, national origin, sex, or sexual orientation.
- b. R&R funds shall not be used for the following or similar purposes:
  - (1) Refreshments for routine meetings with Federal officials, including congressional staff, and representatives of the private sector and other external groups.
  - (2) The hire, purchase, operation, or repair of any motor-propelled, passenger-carrying vehicle, including aircraft.
  - (3) Membership fees or dues in any society, club, or association.
  - (4) The purchase or printing and sending of holiday cards or other types of greeting cards.
  - (5) Expenses for retirement or award ceremonies for Departmental civilian and military personnel, except for those official retirement or award ceremonies that were specifically approved in advance by the Secretary or Deputy Secretary.
  - (6) Any purpose for which an appropriation is otherwise available, or to circumvent administrative or legal restrictions on the use of other appropriated funds.

- (7) Expenses solely for entertainment of Department of Transportation personnel, except that minimally required to extend official courtesies as determined by the Secretary or Deputy Secretary.
- (8) Expenses which are normally expected to be assumed as a personal obligation.
- (9) Additional compensation or perquisites for officials of the United States.

## **7. FINANCIAL PROCEDURES.**

- (a) After the enactment of a full-year appropriation, the Assistant Secretary for Budget and Programs and Chief Financial Officer issues annual allocations to the Operating Administrations (OAs) and applicable OST offices. Factors determining the R&R allocations include the total amount of R&R funds available; preliminary plans for R&R events submitted by the OAs and OST offices; and actual usage in previous years. During the year, the use and requirements for these funds will be subject to review, and revised allocations may be made as appropriate.
- (b) After the initial allocations, OAs and OST offices may request additional funding through the Office of the CFO for OST (B-20). Additional allocations will be based on the availability of funds.
- (c) At the discretion of the Assistant Secretary for Budget and Programs and Chief Financial Officer, OAs and OST offices may be required to submit an R&R plan to B-20 specifying the events for which their allocated R&R funds will be used.
- (d) The OAs and OST offices are required to submit an R&R request prior to the commencement of all events, including those on their R&R plans, using the form prescribed by B-20. All request forms must be submitted to B-20 at least two weeks prior to the event. For events with costs of \$1,000 or more, additional lead time is preferable. Notification will be made to the requesting OA or OST office upon approval or disapproval. Events held or expenses incurred without receiving prior approval from B-20 may not be eligible for reimbursement.
- (e) During a Continuing Resolution, R&R requests are approved by B-20 on a case-by-case basis. OAs and OST offices are required to submit the R&R request form prescribed by B-20, in order to seek approval to use R&R funding. If approved, the estimated funding amount listed on the request form will be allocated for the specific event.
- (f) Each fiscal year, B-20 will provide each OA and applicable OST office with the line of accounting to use for R&R expenses.

- (g) Each OA and OST office is responsible for ensuring that they do not exceed their R&R allocation. In that regard, they should maintain a spreadsheet indicating (1) total funds allocated; (2) total expenditures incurred; (3) unliquidated obligations; and (4) unobligated balance of their allocation. The OAs and OST offices will provide this spreadsheet to B-20 upon request.
- (h) Vouchers for reimbursement (Standard Form 1034) must be submitted to B-20 for processing within two weeks of the event. The SF 1034 must bear administrative approval of the appropriate Secretarial Officer or Head of the Operating Administration, or his or her designee for the R&R expenses. Receipts and banking information (Automated Clearing House (ACH) form) are required for reimbursement of expenses. (All reimbursements are done by direct deposit.) Request for reimbursement of Executive Dining Room R&R charges is also done via SF 1034.
- (i) B-20 reviews all vouchers prior to submission to the Enterprise Service Center (ESC) for processing. All submissions to ESC are password protected.

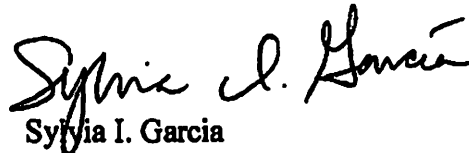
**8. SPECIAL CONSIDERATIONS AND APPROVALS.**

- a. Exceptions to this policy must be approved, in writing, by the Secretary or Deputy Secretary.

**9. VIOLATIONS.**

- a. Violations of this Order may be grounds for civil and/or criminal penalties under the Antideficiency Act.

**FOR THE SECRETARY OF TRANSPORTATION**



**Sylvia I. Garcia**  
Acting Assistant Secretary for Budget and Programs and  
Chief Financial Officer