



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

SECNAVINST 7042.12C
N2
April 11, 2003

SECNAV INSTRUCTION 7042.12C

From: Secretary of the Navy

Subj: GUIDELINES FOR THE USE OF EMERGENCY AND EXTRAORDINARY
EXPENSE FUNDING OTHER THAN OFFICIAL REPRESENTATION FUNDS

Ref: (a) Title 10, United States Code, Section 127
(b) SECNAVINST 7042.7J
(c) Title 5, United States Code, Section 5536
(d) SECNAVINST S3810.5A

1. Purpose

a. To prescribe Department of the Navy (DON) policy for the use of Emergency and Extraordinary Expense (EEE) Funds for intelligence and liaison activities, counterintelligence, "Security and Investigative Activities," and for other appropriate uses by the Secretary of the Navy;

b. To clarify responsibilities for the establishment of policy and procedure for the use of certain categories of EEE; and

c. To delegate authority to expend EEE.

2. Cancellation. SECNAVINST 7042.12B and SECNAV Memorandum of 5 Oct 94 (NOTAL).

3. Background

a. Reference (a) authorizes the Secretary of a military department to "provide for any Emergency and Extraordinary Expense (EEE) which cannot be anticipated or classified." When provided for in an appropriation, EEE Funds may be spent on approval or authority of the Secretary of the Navy for any purpose the Secretary determines to be proper. Such a determination is final and conclusive upon the accounting officers of the United States. The Secretary of the Navy may also certify the amount of any expenditure authorized by the Secretary that the Secretary considers advisable not to specify

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and the Secretary's certificate is sufficient voucher for the expenditure of that amount. The Secretary of the Navy may delegate this authority to any person within the Secretary's department, with or without successive redelegations.

b. EEE Funds are appropriated as a portion of the Operations and Maintenance, Navy account in the annual Defense Appropriation Act(s). The Assistant for Administration, Office of the Under Secretary of the Navy (AAUSN) is the major claimant (12) for all DON EEE. Within the parameters of authority described in reference (a), and the fiscal limits described in the applicable annual Defense Appropriation Act(s), the DON EEE appropriation is administratively divided among, and used for:

(1) Intelligence Contingency Funds (ICF), which includes foreign intelligence, non-Foreign Counterintelligence Program counterintelligence, and intelligence liaison activities;

(2) The Foreign Counterintelligence Program (FCIP);

(3) Security and Investigative Activities (S&IA);

(4) Emergency and extraordinary expenses determined to be proper and approved or authorized by the Secretary of the Navy; and

(5) Official Representation Funds (ORF).

This instruction applies only to funds expended in support of categories (1)-(4) above. Reference (b) applies to ORF, category (5) above.

4. Policy

a. General. It is DON policy that EEE funding shall be provided for emergency and extraordinary expenses related to intelligence contingencies, the FCIP, S&IA, and SECNAV EEE, where security considerations, opportunity, timeliness, or other circumstances peculiar to such purposes make use of other funds impractical or undesirable. An emergency or extraordinary expense is one that cannot be anticipated or one that cannot be classified. If one of these two conditions exists, EEE Funds may be used. Therefore, EEE Funds may be used for an expense

that cannot be anticipated, which means it must not recur on a regular basis. EEE Funds may also be used for an expense that, although anticipated, cannot be classified. An expense cannot be classified when it cannot be charged to another current appropriation account. The Secretary of the Navy may approve or authorize the expenditure of EEE Funds for any purpose he determines to be proper.

b. Confidential military purposes. When normal vouchering and accounting procedures cannot be used for EEE, reference (a) authorizes the use of the confidential military purposes procedure. "Confidential military purposes" arise when use of normal funding channels would compromise the security of operations, jeopardize the safety of personnel and sources involved, or result in losing an investigative or intelligence opportunity. The confidential military purposes procedure permits the Secretary of the Navy to certify the amount of any EEE authorized by him or his delegatee that he considers advisable not to specify. This certificate is sufficient voucher for the expenditure and is binding upon the accounting officers of the United States. Note that not all EEE are for confidential military purposes.

c. Prohibitions. Per reference (c), EEE Funds will not be used to supplement the pay and allowances authorized by law for services or duties performed by an employee or a member of a uniformed service, nor to augment other DON appropriations enacted by Congress for a designated purpose.

5. Definitions

a. EEE Policy Sponsors. EEE Policy Sponsors are those offices responsible for overall policy management governing a specific EEE category. The Director of Naval Intelligence (Chief of Naval Operations (CNO) (N2)), Office of General Counsel, and AAUSN are the EEE Policy Sponsors within DON.

b. EEE Managers. As the major claimant, AAUSN allocates EEE Funds to EEE Managers. EEE Managers are those offices that approve, authorize and certify EEE expenditures. In addition to the Secretary of the Navy, there are three other EEE Managers in the DON. They are listed in paragraph 6 below.

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6. Delegation of Authority. Consistent with the guidance herein, the following EEE Managers are delegated authority to obligate and expend EEE Funds and to use the confidential military purposes procedure(s):

- a. Commander, Office of Naval Intelligence (Navy ICF);
- b. Director, Naval Criminal Investigative Service (S&IA funds and FCIP funds); and
- c. Director of Intelligence, U.S. Marine Corps (USMC ICF and FCIP funds).

7. Responsibilities

a. EEE Policy Sponsor. To ensure consistency, policy issues governing the expenditure of EEE Funds, i.e., questions of interpretation or the appropriate use of EEE, shall be referred to the appropriate EEE Policy Sponsor as identified below:

(1) The Director of Naval Intelligence (CNO (N2)) is the EEE Policy Sponsor for all EEE Funds in the National Foreign Intelligence Program (NFIP). This includes General Defense Intelligence Program (GDIP) EEE Funds, which fund ICF activities, and FCIP EEE Funds.

(2) Office of General is the EEE Policy Sponsor for S&IA Funds.

(3) AAUSN is the EEE Policy Sponsor for SECNAV EEE Funds.

b. EEE Managers. Consistent with the guidance herein, EEE Managers shall:

(1) Issue implementing instructions governing policy administration, and approval of EEE expenditures within their area of responsibility;

(2) Ensure the implementing instructions are coordinated with the appropriate EEE Policy Sponsor, and specifically approved by the Under Secretary of the Navy (AAUSN);

(3) Initiate audit controls to ensure compliance with the implementing instructions;

(4) Authorize use of EEE Funds for purposes not specifically covered by implementing instructions if such purposes are consistent with the general guidance herein;

(5) When providing EEE Funds, identify such funds as EEE;

(6) When using the confidential military purposes voucher procedure, ensure specific documentation of the EEE claim is maintained at the EEE Manager level;

(7) Ensure any obligation or expenditure in excess of \$500,000 is the subject of separate Congressional reporting/notification requirements as required by subsection (c) of reference (a);

(8) Ensure any EEE liaison function in excess of \$7,500 receives Under Secretary of the Navy approval;

(9) Ensure any sensitive international EEE is approved in advance by the Under Secretary of the Navy per reference (d);

(10) Submit annual financial plans to the Secretary of the Navy claimancy, AAUSN, for presentation to SECNAV;

(11) Obtain specific approval from the Secretary of the Navy for any proposed expenditure constituting an exception to the policy stated in paragraph 4; and

(12) Redelegate the authorities described above as appropriate.

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Acting

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