

Policy for Use of FRA Discretionary Funds

1. Purpose

The purpose of this policy is to define and communicate the proper use of Fermi Research Alliance, LLC. (FRA) Discretionary Funding. Discretionary Funds are intended to be used for expenditures that are not considered allowable on Department of Energy (DOE) contract funds, but are otherwise viewed as being in support of the advancement of FRA's corporate and the Laboratory's scientific missions. This policy applies to the use of all Discretionary Funds provided by FRA. Failure to adhere to this policy may result in reduced or no reimbursement for charges incurred. Use of the available, limited FRA Discretionary Fund is subject to internal and external audit review.

2. Scope

This policy covers any use of FRA funds by an FRA employee or Fermilab user.

3. Applicability

This Policy applies to the use of all Discretionary Funds provided by FRA.

4. Effective Date and Date Reviewed/Updated

This policy went into effect on August 15, 2017 and was updated October 1, 2020.

5. Policy

FRA Funds Overview

FRA funds are limited and can be used to pay for "unallowable" DOE Contract expenses primarily incurred in conjunction with meetings, conferences, reviews and Board events (e.g., lunches, dinners, receptions, alcohol, etc.). Please refer to the Conference Office's "Allowable/Unallowable Costs List" for specific items to be shared only with fellow Fermilab personnel. ([Conference Office Allowable/Unallowable Costs List](#))

DOE Contract funds are used for coffee breaks, and meals when more than 50% of the participants are from outside the lab (i.e., "Non-Local" definition), and other items and contingencies as specifically outlined in the DOE Contract Funds policy ([Policy Use of Contract Funds for Food](#)).

If outside participation is less than 50%, FRA funds are used at the approval of the Directorate to cover lunches, dinners, receptions, alcohol, and items that cannot be funded by registration fees or DOE Contract funds. Collaboration meetings, as well as most workshops, meetings, and conferences, should be funded with available registration fees.

Limitations on Expenditures

Good business practices shall be observed in order to maximize the effectiveness of the available budget of Discretionary Funds. Accordingly, the following limitations apply unless there are extenuating circumstances (see section titled “**Authorization for Exceeding Guideline Limitations**”).

a. The use of Discretionary Funds are intended to benefit only individuals associated with the Lab either through employment or a business relationship in support of furthering DOE’s and the Laboratory’s scientific mission.

b. Food and beverage costs associated with various meals shall observe the following costs limitations unless extenuating circumstances are demonstrated (see section titled “**Authorization for Exceeding Guideline Limitations**” for approval and documentation requirements in such extenuating cases). The below are maximums and are not expected to be incurred on a regular basis. Actual meal costs should be reasonable in the circumstances, commensurate with the event's benefit to the Laboratory, and in line with the current local M&IE rates per the effective US Domestic Per Diem tables. ([GSA Standard Rates](#))

c. When appropriate, alcoholic beverages may be reimbursed if served in strict moderation. No more than two alcoholic beverages per attending person will be reimbursed for events held at off-site locations.

d. Gratuities are reimbursable and shall not exceed 15% of the total expenditure after taxes. This is a maximum to be incurred; actual gratuity percentages should be reasonable in the circumstances. Non-cash gratuities are generally not reimbursable except in rare cases, e.g. when doing business internationally where cash gratuities are not normal business practice. In such cases, a clear justification must be submitted, and the cash value of the non-cash gratuity may not exceed the 15% maximum.

e. For the above requirements, verification will be done by a member of the Directorate Office during the reimbursement submission process. If it is exceeded, communication will be made back to the requestor to adjust or to obtain additional approval, documented by electronic copy.

f. As a general rule, unless guests-of-honor are encouraged to bring their spouses/families, employee spouses and families will be excluded from official functions that rely on Discretionary Funds to cover the costs. Certain exceptions may apply, e.g., spouses/families of employees being honored for outstanding service, on the occasion of retirement or transfer to another position outside the Lab, and spouses/families who play a significant role in hosting an event, e.g., informal gatherings at private residences.

g. Personal expenses are excluded from reimbursement. In particular:

- Residential phones and personal cell phone costs are not reimbursable unless installed and dedicated primarily for FRA business use. This does not preclude reimbursement for individual FRA business calls when made from personal phones or cell phones.
- Cleaning of personal residences, such as the Director’s residence, is not reimbursable unless

Fermi National Accelerator Laboratory

it is done immediately prior to or following an official function in the residence.

- Stocking personal liquor cabinets are prohibited from reimbursement unless alcoholic beverages intended for business-related consumption are stored in a locked cabinet kept separate from personal stock. Given the potential negative public perception, this type of expenditure is discouraged. Rather, alcoholic beverages, if any, should be purchased and reimbursed in conjunction with a specific business occasion.

h. Donations to private charities normally are not reimbursable, unless, for example, made in lieu of flowers to honor a deceased employee or other person connected with the Laboratory. Donation to private charities must be approved by the Laboratory Director or designee.

i. Civic participation using Discretionary Funds shall be limited to Lab-oriented outreach and educational programs. Such expenditures always should be considered first for possible reimbursement under contract funding. Personnel authorized to approve this type of expenditure should be sensitive to the potential for appearing to favor one civic group over another.

j. Expenditures for gifts and mementos are limited to: (a) a rare occasion, e.g., an exchange of gifts with international visitors and (b) a dollar value not to exceed a reasonable amount per person. Such expenditures must be approved in advance by the Laboratory Director or his designee.

k. Honoraria using FRA funds will not be provided to any employee of a DOE laboratory or to anyone compensated directly, in whole or in part, from an FRA laboratory funded program. ([Acceptance of Honorarium and Stipends](#))

l. Conference Support – These guidelines apply to expenditures for conference support provided by FRA. *FRA conference support should only be given to:*

- Unallowable DOE Contract costs, which include alcohol, receptions, and some limited meals for general meetings as defined in the [Policy Use of Contract Funds for Food](#).

- VIP meetings approved by the Directorate Office where all costs are covered for participants, such as lunches, dinners, breaks, etc. Exceptions must be approved in advance by Chief Financial Officer, Chief of Staff, or Director in accordance with these guidelines and justification given in writing to the Conference Office for recordkeeping.

Items Requiring Particular Sensitivity

The purpose of Discretionary Fund expenditures is to benefit the Laboratory, not individual persons or groups. Events that can be construed to be primarily social should be reviewed for frequency as well as purpose to ensure that Discretionary Funds benefit the Laboratory.

Authorization for Exceeding Guideline Limitations

Authorization for reimbursing expenditures that exceed guideline limitations shall be vested with the Laboratory Director or his designee. Requests for exceptions are to be submitted in advance whenever possible through the appropriate Associate Director to the Laboratory,

Chief Financial Officer, or his/her designee. The extenuating circumstances that justify exceeding these guidelines should be well documented.

Internal Controls

Appropriate internal controls will be established and implemented at the Laboratory to ensure that all Discretionary Funds are expended in accordance with these guidelines and supported by proper documentation and approval.

6. Definitions

Discretionary Funds

Discretionary Funds are those funds allotted for expenditures that are not allowable on DOE contract funds. For DOE-defined Conferences, contact the Conference Office to discuss what items are allowable or unallowable on DOE Contract funds.

Conferences

“Conference” is defined in the Federal Travel Regulation as “[a] meeting, retreat, seminar, symposium or event that involves attendee travel. The term ‘conference’ also applies to training activities that are conferences under 5 C.F.R 410.404” However it is noted the definition is only a starting point and will be evaluated against the June 2015 DOE document. What constitutes a conference for the purpose of this guidance is a fact-based determination based on an evaluation of the criteria established and approved by the Conference Office. A school at Fermilab would be an example of a “conference”.

Fermilab/Local Attendees

Employees of Fermilab and Argonne

Employees and faculty of University of Chicago participating on behalf of Fermi Research Alliance (FRA)

Employees from other institutions such as Northern Illinois University and Northwestern Illinois University

On Official Travel/Outsiders

University of Chicago and Universities Research Association employees

All Vendors, Visitors, Contractors, etc.

7. Responsibilities

Budgeting of FRA funds and approval of FRA funding requests are the responsibility of the Director’s Office.

8. Authorities

N/A

9. Owner

The Chief of Staff is the owner of this policy.

10. Review Cycle

This policy shall be reviewed every two years.

11. Communication Plan

For all FRA employees and Fermilab users who request the use of FRA funds, the Office of the Director will provide in-person training, written instructions, and an ITNA training class.

Relevant Guidelines and Forms

[Guidelines for Use of FRA Discretionary Funds](#)

[FRA One Time Funding Request Form](#)

[General Accounting Payment Request Form](#)

[Petty Cash Voucher](#)