From: Secretary of the Navy

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

Ref: (a) 10 U.S.C. §127
(b) 5 U.S.C. §5536
(c) SECNAVINST 7042.7L

Encl: (1) EEE Authority
(2) EEE Managers Duties and Responsibilities

1. Purpose

   a. To prescribe the 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 (S&IA), and for other appropriate uses by the Secretary of the Navy (SECNAV) as set forth in enclosure (1).

   b. To clarify responsibilities for the establishment of policy and procedures for the use of certain categories of EEE funds.

   c. To delegate authority to expend EEE funds.

2. Cancellation. SECNAVINST 7042.12E.

3. Definitions

   a. Budget Submitting Office (BSO). BSO’s are those administering offices or commands responsible for preparation, compilation, and submission of budget estimates and supporting materials directly to the Office of Budget (FMB) for the DON.

   b. EEE Policy Sponsors. EEE policy sponsors are those offices responsible for overall policy management governing a specific EEE category. The Deputy Chief of Naval Operations for Information Warfare / Director of Naval Intelligence, General Counsel of the Navy, and the Assistant Secretary of the Navy
(Financial Management & Comptroller) (ASN(FM&C)) are the EEE policy sponsors within the DON.

c. EEE Managers. EEE managers are those offices that approve, authorize, and certify EEE expenditures. In addition to the SECNAV, there are three other EEE managers in the DON. They are listed in paragraph 6(a). Their duties and responsibilities are set forth in enclosure (2).

4. Applicability. This instruction applies to the Offices of the SECNAV, the Chief of Naval Operations, the Commandant of the Marine Corps, and all U.S. Navy and U.S. Marine Corps installations, commands, activities, and field offices, and all other organizational entities within the DON.

5. Policy

a. General. It is DON policy that funds shall be provided for EEE requirements related to Intelligence Contingency Funds (ICF), S&IA, and SECNAV EEE. The use of EEE funds is appropriate where security considerations, opportunity, timeliness, or other circumstances particular to such purposes make use of other funds impractical or undesirable. An emergency or extraordinary expense is one that cannot be anticipated or 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. The SECNAV may approve or authorize the expenditure of EEE funds for any purpose he or she 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 the use of normal funding channels would compromise the security of operations, jeopardizes the safety of personnel and sources involved, or results in losing an investigative or intelligence opportunity. The confidential military purposes procedure permits the SECNAV to certify the amount of any EEE authorized by the Secretary, or his or her delegate, that he or she considers advisable not to specify. This certificate is a
sufficient voucher for the expenditure and is binding upon the accounting officers of the United States.

c. Prohibitions. In accordance with reference (b), 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.

6. Responsibilities

a. Consistent with the guidance herein, the following EEE managers are delegated authority to obligate and expend EEE funds for the purposes authorized and allocated by the Office of ASN(FM&C)/FMB-7 (OASN(FM&C)/FMB-7) and to use the confidential military purposes procedure(s):

   (1) Director, Naval Intelligence Activity.

   (2) Director, Naval Criminal Investigative Service.

   (3) Director of Intelligence, U.S. Marine Corps.

b. The OASN(FM&C)/FMB-7 will have responsibility for overall funds and policy management.

c. EEE policy sponsors below will have the responsibility for overall questions, appropriate use, and interpretations of specific EEE funds:

   (1) Deputy Chief of Naval Operations for Information Warfare / Director of Naval Intelligence for all EEE intelligence funds.

   (2) General Counsel of the Navy for S&IA funds.

   (3) The ASN(FM&C) for SECNAV EEE funds.

7. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and disposed of according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page:
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.

GREGORY J. SLAVONIC
Under Secretary of the Navy, Acting

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EEE Authority

1. Reference (a) authorizes the Secretary of a Military Department to “provide for any EEE which cannot be anticipated or classified.” When provided for in an appropriation, EEE funds may be spent on approval or authority of the SECNAV 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 SECNAV may also certify the amount of any expenditure he or she considers advisable not to specify, and the Secretary’s certificate is sufficient voucher for the expenditure of that amount. The SECNAV may delegate this authority to any person within the Secretary’s department, with or without successive re-delegations.

2. EEE funds are authorized as part of the Operation and Maintenance, Navy account in the annual Defense Appropriation Act(s). Operation and Maintenance, Marine Corps funding is not authorized to be used for EEE. The OASN(FM&C)/FMB-7 is the BSO (12) for all DON EEE. FMB-7 allocates EEE funds to the activities according to the budget requests submitted by the resource sponsors and 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 funds are administratively divided among, and used for:

   (a) ICF, which includes foreign intelligence, counterintelligence, and intelligence liaison activities;

   (b) S&IA;

   (c) EEE determined to be proper and approved or authorized by the SSECNAV; and

   (d) Official Representation Funds (ORF).

3. This instruction applies only to funds expended in support of subparagraphs 2(a) through 2(c) above. Reference (c) applies to ORF, subparagraph 2(d) above.
EEE Managers Duties and Responsibilities

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 the OASN(FM&C)/FMB-7 as the EEE BSO.

3. Initiate audit controls to ensure compliance with the implementing instruction.

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 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 $10,000 receives Under Secretary of the Navy (UNSECNAV) approval.

9. Ensure any sensitive international EEE is approved in advance by UNSECNAV.

10. Submit annual financial plans to the OASN(FM&C)/FMB-7, the EEE BSO, for presentation to SECNAV.

11. Obtain specific approval from the SECNAV via the OASN(FM&C)/FMB-7 for any proposed expenditure constituting an exception to the policy in paragraph 5 of this instruction.
12. Re-delegate the authorities described above as appropriate in coordination with the EEE policy sponsor and the EEE BSO.

13. Submit quarterly reports to the OASN(FM&C)/FMB-7 on all EEE obligations and expenditures in a format requested by FMB-7.