

MS 722 PROCEDURES

HOST COUNTRY CONTRIBUTIONS

Also see: Peace Corps Manual Section MS 722: "[Host Country Contributions](#)"

27.1 GENERAL INFORMATION

Host Country Contributions from host governments and other in-country non-governmental organizations are an important aspect of Peace Corps operations. HCCs indicate support for the Peace Corps and help defray Peace Corps expenses, enabling the Agency to use its funds more effectively. To be eligible as an HCC, a contribution must defray an expense that the Peace Corps would otherwise pay from appropriated funds or which advances purposes authorized by the Peace Corps Act. HCCs may be in the form of Cash or In-Kind support.

27.2 CASH HCCs

Cash contributions from Host Governments and NGOs may be accepted by the Country Director under terms set forth in MS 722. Because of accounting and financial reporting differences of these funds, cash contributions from host governments are treated differently than those received from NGOs.

As with other types of collections, the Cashier may not take possession of an HCC check/payment before the **Prepare** transaction has been entered into FOR Post and the Bill has been printed. HCC Posts must document their process for securing a contribution that is delivered unexpectedly with someone other than the Cashier, until the **Prepare** has been entered. (See specific processes below.)

In addition, Posts must monitor the Bill of Collection log in FOR Post to ensure that funds are received in a timely way and are properly accounted for.

27.2.1 CONTRIBUTIONS FROM HOST GOVERNMENTS

Funds from Host Governments belong to the host country and are held in trust by the Peace Corps as the trustee of the funds. Because of this, the funds are held in the currency in which they are donated and LCU donations are not converted to USD.

Government HCCs are collected in either LCU or USD and processes for collecting and managing differ.

27.2.1.1 LCU HOST GOVERNMENT CONTRIBUTIONS

Because the budget is retained in local currency, the Budget Office is not involved in issuing budget authority for LCU HCCs. The Collection action in FOR Post automatically creates budget authority in local currency in the X7840 HCC Fund for that country. See the Fiscal Coding Handbook for fund listing by country.

Spending against the Host Government funds may only be done in the currency of the funds donated.

Post procedures:

1. Calculate the amount due from the host Government, based on the terms of the Country Agreement.
2. Billing Officer creates a Bill of Collection based on the anticipated amount, using the transaction **Prepare HCC Collection** in FOR Post.
3. Cashier records the collection using the transaction **Collect HCC** in FOR Post, as he/she receives the funds.
Note: If the actual check/payment differs from the anticipated amount, the Cashier will void the entry. The AO must ensure that the new **Prepare HCC Collection** entry is re-entered for the *actual* amount before approving the Cashier void.
4. Cashier processes the check following the normal deposit procedures (including entry into FOR Post)

Posts should monitor the status of Government HCC funds using the FOR Post "HCC Funds Report".

Also see OFMH "Billings, Collections and Deposits" and the FOR Post Help file on HCC.

27.2.1.2 USD HOST GOVERNMENT CONTRIBUTIONS

Collections of USD Host Government Contributions may be made in countries where the host government provides funds in USD (e.g., Micronesia, Panama, Liberia). The funds will be collected in FOR Post (procedures below) against the X82460000 Fund for USD HCCs, and a Sponsor Code specific to the country. Following the receipt of funds, the Budget Office will issue USD budget authority and spending may be done in any currency. See the Fiscal Coding Handbook for sponsor listing by country.

Post procedures:

1. Calculate the amount due from the host Government, based on the terms of the Country Agreement.
2. Billing Officer creates a Bill of Collection, based on the anticipated amount, using the transaction **Prepare BOC** in FOR Post. Select the Peace Corps/*Country* vendor and the pre-populated USD obligation "*CUR*LOCHCCUSD", where *CUR* is the currency code and *LOC* is the Post location code. (For example, 001401HCCUSD).
3. Cashier receives the cash or check and **Collects** in FOR Post.

Note: If the actual check/payment differs from the anticipated amount, the Cashier will void the entry. The AO must ensure that the new **Prepare BOC** entry is re-entered for the *actual* amount before approving the Cashier void.

4. Cashier processes the check following the normal deposit procedures (including entry into FOR Post).
5. Post processes the BV normally.

PC/W procedures:

1. After certifying the Voucher containing the USD HCC, GAP forwards the information to the Office of Budget and Analysis (OBA). Note: GAP receives an email alert when such a collection is synced into HQ.
2. OBA provides budget authority to the Post in Fund X82460000, and Post's specific sponsor code.

Posts will receive the "Adjustments to Budget Authority" Report by email as notification that the budget authority has been loaded into Odyssey to be synced to Post. Posts should manage USD HCC funds using normal management reports in FOR Post, such as "Budgeted Funds Used – Summary".

Also see OFMH "Billings, Collections and Deposits" and the FOR Post Help file on USD HCC.

27.2.2 CONTRIBUTIONS FROM IN-COUNTRY NGOs

Contributions from NGOs to support the costs of Peace Corps operations in country may be accepted by Country Directors, as per requirements specified in MS 722. Unlike the Host Government contributions, Peace Corps assumes ownership of funds and does not hold them in trust.

The funds will be collected in FOR Post (procedures below) against the X82450000 Fund for Private Sector Donations, and a Sponsor Code to be determined by OCFO during the NGO agreement review process outlined in MS 722. Following the receipt of funds, the Budget Office will issue USD budget authority and spending may be done in either USD or LCU.

Post procedures:

1. Billing Officer creates a Bill of Collection using the transaction **Prepare BOC** in FOR Post. Select the Peace Corps/*Country* vendor and the pre-populated obligation "*CURLOCNGOHCCSPON*", where CUR is the currency code, LOC is the Post location code, and SPON is the sponsor code. (For example, 576621NGOHCC1506).
2. Cashier receives the cash or check and **Collects** in FOR Post.

3. Cashier processes the check following the normal deposit procedures (including entry into FOR Post).
4. Post processes the BV normally.

PC/W procedures:

1. After certifying the Voucher containing the NGO HCC, GAP forwards the information to the Office of Budget and Analysis (OBA) with the applicable ER (exchange rate) noted. Note: GAP receives an email alert when such a collection is synced into HQ.
2. OBA provides budget authority to the post in Fund X82450000, and the designated sponsor code. Authority is issued based on the ER in effect at the time the collection is processed at HQ.

Posts will receive the "Adjustments to Budget Authority" Report by email as notification that the budget authority has been loaded into Odyssey to be synced to Post. Posts should manage NGO HCC funds using normal management reports in FOR Post, such as "Budgeted Funds Used – Summary".

Also see OFMH "Billings, Collections and Deposits".

27.3 IN-KIND HCCs

Peace Corps is required to include data on in-kind host country contributions on its quarterly financial reports. In-kind contributions are services, supplies, equipment, and facilities that the host government or non-governmental organizations provide that defray Peace Corps' expenses, enabling the agency to optimize the appropriated budget. As this data cannot be pulled from the financial system, Posts are required to submit a quarterly report listing the contributions received (description, purpose code and object class if it would have been charged to Peace Corps) and a local currency valuation.

The In-Kind HCC Quarterly report must be received from Posts no later than the third working day after the close of each quarter. It should be sent to cfo_reports@peacecorps.gov.

To assist with preparation of the report, the items below are listed to provide examples of what can be considered an In-Kind HCC. Exemption from fees (visa, permits, etc.) and taxes (VAT, customs, sales, entry/exit, consumer, etc.) are NOT considered Host Country Contributions and should not be included on the quarterly report.

Allowances and Salaries:

- Allowances paid directly to Trainees or Volunteers by the host government or a local non-government organization, e.g., living allowance
- Wages paid directly by the host government to local citizens known as Host Country Nationals (HCNs) who work with the Peace Corps
- Permanent employment
- Intermittent and part time employees

- Personal services contracts

Transportation:

- Vehicles provided by host government or a local non-government organization for training
- Transportation provided to Trainees, Staff or Volunteers other than automotive (bicycles, boats, scooters, horses)
- Public transportation or provision of tickets for public transportation for Trainee, Staff or Volunteer travel
- Provision of charter or private aircraft for Trainee, Staff or Volunteer travel
- Transportation provided to host country nationals donating their time for Peace Corps training or for the support of Volunteers.
- Transportation of Trainee, Staff or Volunteer household goods and personal effects
- Transportation of other Trainee, Staff or Volunteer material
- Provision of vehicles for Trainee, Staff or Volunteer travel

Housing:

- Housing and utilities paid for directly or furnished by host government or a local non-government organization for Trainees, Volunteers and Staff
- Office and storage space for training facilities
- Office and storage space provided to Volunteers or Staff

Services:

- Medical/dental examinations and care for Volunteers, Trainees or Staff
- Hospital and outpatient care for Volunteers, Trainees or Staff
- Repair of Peace Corps vehicles used by Volunteers, Trainees or Staff
- Provision of lodging, food, materials, or equipment, for groups meetings of Trainees, Volunteers or Staff
- Language or other training for Staff
- Maintenance of facilities, including training facilities
- Host country nationals donating their services for training purposes

Supplies and Materials:

- Training-related supplies
- Medical supplies for Trainees, Volunteers, or Staff
- Food for Trainees
- Gas, oil, parts for maintenance of vehicles
- Residential furnishings or equipment for Volunteers or Staff
- Building material/supplies to be used for Volunteers