

MS 724 REPRESENTATION ALLOWANCES

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Responsible Offices: Office of Global Operations; Chief Financial Officer

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1.0 PURPOSE

This manual section sets out Peace Corps policy on the use of representation allowances.

2.0 AUTHORITY

The Peace Corps authority to issue its own regulations on representation allowances is set out in section 905 of the Foreign Service Act of 1980, as amended (FSA), 22 U.S.C. 4085. Section 905 authorizes the ‘Secretary’ to provide for official receptions and pay entertainment and representational expenses. Under section 102 (10) of the FSA, 22 U.S.C. 3902 (10), the term ‘Secretary’ includes the head of any agency authorized to utilize the Foreign Service personnel system. Under sections 7 (a) (2) and 15 (d) (11) of the Peace Corps Act (22 U.S.C. 2506 (a) (2) and 2514 (d) (11)), the Peace Corps is so authorized.

The Peace Corps does not follow Chapter 300 of the Department of State’s Standardized Regulations (DSSR) on representation allowances. Representation allowances are separate from entertainment funds and, therefore, any limitations on the use of entertainment funds do not apply to representation allowances. For the Agency’s rules on entertainment funds see MS 725. For the rules on use of regular funds for group meetings of Volunteers/Trainees (V/Ts) see MS 729.

3.0 USE OF REPRESENTATION ALLOWANCES

Representation allowances are for the purpose of furthering the interests of the United States overseas. Representation allowances are intended to cover allowable items of expenditure primarily by Country Directors, whose official positions entail responsibility for establishing and maintaining relationships of value to the United States in foreign countries.

3.1 Allowable Items of Expenditure

The allowance is used to cover the costs of official entertainment, including refreshments, gratuities, room rental for gatherings, catering, and any similar services or goods. It may also be used for certain other types of expenditures, which promote United States interests abroad.

Examples of allowable items of expenditure are:

- (a) Events with a protocol nature, occasions such as national holidays, and other important occasions;
- (b) Entertainment undertaken by employees to promote relationships necessary for the performance of their official duties;
- (c) Entertainment of members and employees of the legislative and/or judicial branches of the United States Government, or other American citizens who are not employees of the federal government, including state and local officials and business persons;
- (d) Tips and gratuities in a foreign country to persons not employed by the United States, under circumstances in which such gratuities are customary and are necessary or desirable for the promotion of United States national interests;
- (e) Purchase of flowers, wreaths, and similar tokens for presentation in accordance with local custom on appropriate occasions such as weddings, births, or deaths of important personages;
- (f) Printing of seasonal greeting cards and other printing related to representation functions; and
- (g) Other representational expenses, which the head of the agency may authorize or approve as being of a type to promote the interests of the United States.

3.2 Improper use

Representation allowances may not be used for any of the following expenses:

- (a) Membership fees or dues in any society, club, or association (5 U. S. C. 5946);
- (b) Events and entertainment solely for employees of the Executive Branch of the United States Government and their families; and
- (c) Compensation for cost of living, quarter expenses, or for assignment under difficult environmental conditions; including expenses of recreation and entertainment solely for employees of the United States Government and their families.

3.3 Events Involving Employees and Volunteers

Whether an event is representational or not, depends on the purpose of the event, not on the number of employees or Volunteers attending. For example, an event featuring a speech by a host government official is representational even though most of the attendees are employees and Volunteers.

3.4 Cost and Presentation

Food, meals, and events are to be modest in cost and presentation.

3.5 Exceptions

The Deputy Director or the Chief of Staff may authorize exceptions to this manual section, in accordance with applicable law.

4.0 AUTHORIZATIONS

Representation allowances are charged to country budgets, and obligations may be incurred as follows:

- (a) Each Country Director is authorized use of up to \$1,500 per fiscal year;
- (b) Regional Directors are authorized to approve increases in representation allowances for each country by up to an additional \$1,500 (for a total of \$3,000); and
- (c) The Associate Director for Global Operations is authorized to approve amounts over the limits in (a) and (b) above for extraordinary events. The Deputy Director or the Chief of Staff may authorize representational allowances for other Peace Corps officials. Any requests under this subsection (c) must be submitted through the Chief Financial Officer (CFO) in a timely manner with sufficient documentation to support the request. The CFO will include information with the request on what, if any, budgetary impact may occur based on the request before forwarding the file to the appropriate approving official for decision.

5.0 VOUCHER PREPARATION

Representation allowances may be reimbursed to an employee (including foreign national employees) and may be paid directly to a vendor. The payment voucher must include the following information:

- (a) The type, purpose, and location of the function or purchase;
- (b) The names and titles of American and foreign guests or recipients;
- (c) A brief description of the nature and purpose of the event/purchase; and
- (d) A brief description of why the event/purchase furthered U.S. interests.

See the Overseas Financial Management Handbook for detailed guidance related to voucher preparation.

6.0 EFFECTIVE DATE

The effective date is the date of issuance.