

4 FAM 440

VOUCHERING OF SPECIAL ITEMS

(CT:FIN-411; 09-20-2010)
(Office of Origin: RM/FPRA/FP)

4 FAM 441 GENERAL

(CT:FIN-411; 09-20-2010)

This subchapter contains the Department's policy on authorities and vouchering of special items. The policy allows for differences between the vouchering of special items and ordinary items. Differences in vouchering may be either in the mode of processing or certification or both. The policies contained in this subchapter must be used in addition to the policies contained in subchapters 4 FAM 410, 4 FAM 420, 4 FAM 430, and 4 FAM 450.

4 FAM 442 ADVANCE PAYMENTS OTHER THAN TRAVEL

(CT:FIN-411; 09-20-2010)

Advance payments to contractors or vendors refer to payment made in contemplation of future performance of a service, receipt of goods, incurring an expenditure, or for other assets except payments for travel-related services.

4 FAM 442.1 Limits

(CT:FIN-411; 09-20-2010)

- a. Advance payments can be made only if authorized by a contract or purchase order, and in accordance with applicable law (31 U.S.C. 3324).
- b. At posts, advance payments are subject to approval of the funding allottee.
- c. A payment by the Department must never exceed the value of services rendered or goods delivered, unless such advance payment is specifically authorized by the appropriation concerned or another law as described in 4 FAM 442.2.

4 FAM 442.2 Authorized Transactions

(CT:FIN-411; 09-20-2010)

- a. Advances of public money can only be made when authorized by appropriation or other law (31 U.S.C. 3324).
- b. When advances of public money are authorized by law, they may be made if determined to be absolutely necessary for effective management, and if they meet the criteria of the governing U.S. agency regulations, including the following:
 - (1) Advances to the disbursing officer as may be necessary to the faithful and prompt discharge of duties and the fulfillment of public obligations (31 U.S.C. 3324);
 - (2) Subscription charges for newspapers, magazines, periodicals, and other publications for official use (31 U.S.C. 3324);
 - (3) Advances to employees for travel, see 4 FAH-3 H-463 (5 U.S.C. 5705) or allowances, see 4 FAH-3 H-464 (5 U.S.C. 5922);
 - (4) Advance rental payments for offices, buildings, grounds, and living quarters overseas where the rental or lease period is less than 10 years (22 U.S.C. 2670);
 - (5) Advance payments under contracts for property or services not to exceed the unpaid contract price (41 U.S.C. 255);
 - (6) Training and tuition fees (5 U.S.C. 4109);
 - (7) Advance payments of salary, allowances, and differentials, to or from the account of an employee whose evacuation, or an eligible family member's evacuation, is ordered under emergency evacuation procedures (5 U.S.C. 5522);
 - (8) Advance payment, in whole or in part, of the estimated or actual cost, for materials, supplies, equipment, work, or services ordered from another U.S. Government agency, when requested in writing by the requisitioned U.S. Government agency (31 U.S.C. 1535);
 - (9) Insurance on official motor vehicles operated by the Department of State overseas (22 U.S.C. 2670);
 - (10) Insurance for health and life of local employees overseas (22 U.S.C. 889(A)(1)); (40 Comp. Gen. 650);
 - (11) Advance payment of Earned Income Tax Credit (EITC), see 4 FAH-3 H-538 (26 U.S.C. 32);
 - (12) Advance of pay upon assignment to a post in a foreign area, see 4 FAH-3 H-536 (5 U.S.C. 5927);
 - (13) Advance of pay or other Bureau of Human Resources Office of Overseas Employment (HR/OE) approved compensation plan item to Foreign Service National (FSN) employees when authorized by

the local compensation plan; and

- (14) Advances to principal representatives in official residences for expenses authorized in 3 FAM 3250, 3 FAH-1 H-3250 and as administered in 4 FAM 446 (5 U.S.C. 5913(c)).

4 FAM 442.3 Vouchering Requirements

(CT:FIN-411; 09-20-2010)

- a. See 4 FAM 420 to voucher advance payments to contractors and vendors, when allowed by the Federal Acquisition Regulations (FAR).
- b. Advance payments must be documented and recorded as advances as soon as they are made.
- c. When the advance payment made exceeds the amount of goods received or services performed, the finance office must treat the balance due as a receivable and collect it (see 4 FAM 490, Debt Collection).
- d. Advances must be tracked. When the anticipated services are performed by the contractor, the advance must be adjusted to the extent accounted for by the contractor or vendor.

4 FAM 443 ALLOWANCES

(CT:FIN-411; 09-20-2010)

Allowances refer to money or equivalent value, furnished or made available, in addition to prescribed rates of pay, to cover such items as education, quarters, post, separate maintenance, subsistence, clothing, representation, or travel. These allowances are applicable to posts only and not to domestic operations. See 3 FAM 3200 for other types of allowances.

4 FAM 443.1 Authorities

(CT:FIN-411; 09-20-2010)

Allowances are based on the following specific authorities:

- (1) 5 U.S.C. 59—Allowances;
- (2) Department of State Standardized Regulations (DSSR) (Government Civilians, Foreign Areas) (DSSR (GC FA));
- (3) The Foreign Service Act of 1980, as amended, Section 901;
- (4) Executive Order 10903; and
- (5) 3 FAM 3200 and 3 FAH-1 H-3200, Allowances.

4 FAM 443.2 Education Allowances

(CT:FIN-411; 09-20-2010)

- a. An education allowance is granted to assist an employee in meeting expenses, not otherwise compensated for, incurred by reason of service in a foreign area or foreign areas, in providing adequate elementary and secondary education to eligible family members (EFMs) (5 U.S.C. 5924, DSSR 270, and DSSR 960 for the Education Allowance Worksheet (EDA)).
- b. Employees eligible for education allowance should complete an original Form SF-1190, Foreign Allowances Application, Grant and Report, and submit the form to the authorizing principal or management officer at post.
- c. Voucher an education allowance on Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206.) The post may pay education allowances to local schools directly according to local custom.

4 FAM 443.3 Quarters, Post, Separate Maintenance, and Supplementary Post Allowances

(CT:FIN-411; 09-20-2010)

- a. Voucher these allowances using Form SF-1190, Foreign Allowances Application, Grant and Report, for processing on the biweekly payroll and payment through the payroll system (see 4 FAM 500, Payroll, Time and Attendance, and Leave Accounting). All such allowance vouchers are to be approved through the personnel office (see 3 FAM 3200, Allowances).
- b. Quarters allowances are granted under the authority of 5 U.S.C. 5923 and DSSR 100. Quarters allowance may be paid in advance. If allowed, such an advance is processed as an ordinary voucher and must be approved according to 4 FAH-3 H-464. Quarters allowances paid in advance must be reported via memorandum to payroll for subsequent offset (see 4 FAM 515).
- c. Post allowance is granted under the authority of 5 U.S.C. 5924 and DSSR 220. It is an allowance provided to an employee officially stationed at a post in a foreign area where the cost of living, exclusive of quarter's costs, is substantially higher than in Washington, D.C.
- d. Separate maintenance allowance (SMA) is granted under the authority of 5 U.S.C. 5924, 3 FAM 3230, 3 FAH-1 H-3230, and DSSR Subchapter 260. It is granted to assist an employee who is required to maintain eligible family members (EFMs) at locations other than his or her overseas post of assignment.
- e. The Department may authorized involuntary SMA (ISMA) when adverse, danger, or notable unhealthful conditions warrant the exclusion of EFM(s)

from the employee's overseas post of assignment or when the Department determines a need to exclude EFM(s) from accompanying an employee to the overseas post. See DSSR 267.1 for rates payable for SMA and ISMA.

4 FAM 443.4 Representation Allowances

(CT:FIN-411; 09-20-2010)

- a. The purpose of representation allowance is to enable the Department and the Foreign Service to provide for the proper representation of the United States, thus furthering foreign policy objectives. This is the only reason for the availability of such funds and the only criterion for their use (see DSSR 310). Use of representation funding is almost always related to events, rather than continuing costs.
- b. Representation funds do not accrue to any officer or employee solely by virtue of rank, title, or position. Rather, they are available for expenses incurred on behalf of the U.S. Government. They are not meant to take care of normal social obligations as members of the community. Entitlement to the use of a specified amount of such funds is granted to individual officers or employees on an ad hoc basis.
- c. To the extent feasible, voucher representation allowance payments for each individual event. Allowances for representation may not be advanced. Certifying officers should reference Department of State Standardized Regulations (DSSR) Chapter 342 and 3 FAM 3240, Representation Allowances, when certifying such claims.
- d. Use Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206) to issue reimbursements for allowable claims against representation funds as stated in DSSR 320. DSSR 330 indicates prohibited items. Evidence of expenditures must be provided for expenditures of \$75 or more for any single occasion. For expenditures of less than \$75, the employee's certification may be accepted when receipts are not available. Each voucher must contain the following based on category:
 - (1) **Entertainment:** Type, detailed purpose, location, complete guest list of attendees with titles, and when all guests are U.S. citizens, the official business conducted; and
 - (2) **Other than entertainment:** recipient name and title, occasion, and reason for expenditure.
- e. A principal officer accredited to more than one country may receive and account for the allowance at the officer's post of residence but may expend the allowance in the countries to which accredited. However, representation funds allotted overseas may not be used in the United

States (see DSSR 330f.)

- f. Under 31 U.S.C. 3324, advances to individuals are not authorized for representational events. However, post can pay vendors (caterers or other service providers) for their services at representational events directly, once the hosting officer has a voucher for the payment.
- g. Limitations of advance purchases: Except for invitation cards and American wine, bulk purchases to cover several future representation events must be financed by the host or other officer and reimbursed only on an event-by-event basis. (See 3 FAM 3240, Representation Allowances.) Reimbursements should be claimed and vouchered on Form DS-2076, Purchase Order, Receiving Report and Voucher.
- h. For overseas employees who incurred representation expenses in excess of those reimbursed, but which would have been reimbursable if the agency had sufficient funds, the excess may qualify as a miscellaneous itemized income tax deduction. (See IRS Publication 516, U.S. Government Civilian Employees Stationed Abroad. Also see 4 FAM 825, Federal Income Tax Deduction Certification.)

4 FAM 443.5 Transfer Allowances

(CT:FIN-411; 09-20-2010)

- a. Definitions and various types of transfer allowances are provided in 4 FAH-3 H-464. Use Form SF-1190, Foreign Allowance Application, Grant and Report, to voucher transfer allowances. When allowed, adjust advances made in relation to transfer allowances according to 4 FAH-3 H-464.
- b. Generally, claims are submitted to the post management officer or domestically to the executive office of the travel authorizing bureau or office responsible for assuring the prompt submission of vouchers by employees assigned to the post or bureau or office.
- c. The authorizing officer is authorized to submit a Form SF-1190 on the member's behalf if the member is absent from post.

4 FAM 444 CAPITAL EXPENDITURES, U.S. GOVERNMENT DEPOSITS

4 FAM 444.1 Vouchering Requirements

(CT:FIN-411; 09-20-2010)

- a. Voucher deposits for goods or services on Form DS-2076, Purchase

Order, Receiving Report and Voucher (formerly OF-206), as a charge against the appropriation chargeable with the related goods or services. The voucher must contain a statement that the deposit, together with the accrued interest, will be repaid to the U.S. Government when the nonexpendable item loaned, rented, or leased is returned. This statement must be certified by the payee.

- b. Do not make a deposit when such deposit is an advance payment (see 4 FAM 442 for policy on advance payments). A deposit may be made to ensure the return of meters, equipment, containers, and other nonexpendable items which are loaned, rented, or leased by the U.S. Government. Also, deposits may be made for gas and electric meters and telephone equipment as part of the provision of utility services.
- c. The finance office must establish an accounts receivable record.

4 FAM 444.2 Real Property

(CT:FIN-411; 09-20-2010)

- a. The Bureau of Overseas Buildings Operations (OBO) has the authority to acquire real property (see 15 FAM 400, Real Property Acquisition Abroad, 15 FAM 430, Post Responsibilities and Procedures, and 15 FAM 450, Required Documentation).
- b. Use Form DS-2076, Purchase Order, Receiving Report and Voucher, to voucher payments for the purchase of real property overseas. Form SF-1034, Public Voucher for Purchases and Services Other Than Personal, is required domestically.
- c. Each payment voucher for real property in foreign areas must be supported by an attested copy of an opinion from a competent, disinterested local land expert in land titles selected by the post, certifying to all points listed in 15 FAM 432.4 and 15 FAM 432.5. If a required certificate of the local land expert is not attached, the voucher must be supported by a memorandum that is signed by the management officer stating the circumstances and reasons for the absence of the certificate or supported by an Overseas Buildings Operations (OBO) generated waiver.

4 FAM 444.3 Capitalized Personal Property

(CT:FIN-411; 09-20-2010)

Capitalized personal property includes property with acquisition costs as defined in 14 FAM 400 that meets the threshold requirements in 4 FAM 734.2 and that has an estimated life of 2 years or longer. Refer to 4 FAM 734, Accounting for Cost of Personal Property, and 14 FAM 400, Asset

Management, for details on personal property policies, procedures, and reporting requirements.

4 FAM 445 MEDICAL EXPENSES FOR AMERICAN EMPLOYEES AND ELIGIBLE FAMILY MEMBERS (EFMS)

4 FAM 445.1 Authority and Applicability

(CT:FIN-411; 09-20-2010)

The regulations and procedures prescribed herein are based on and subject to the Department of State Medical Program regulations. The medical regulations are applicable to eligible personnel (U.S. employees and eligible family members (EFMs) of U.S. agencies participating in the Medical Program by formal agreement (see 16 FAM).

4 FAM 445.2 Delegations of Authority

(CT:FIN-411; 09-20-2010)

- a. Upon the recommendation of the regional medical officer or the Office of Medical Services (MED) (assigning of the obligation number), the post principal or management officers of the Department, or their formal designees, may authorize payment for all U.S. employees and their eligible family members (EFMs) covered by the Medical Program. Such authority is subject to established regulations, special provisions, or limitations as prescribed by participating U.S. agencies. Special provisions or limitations will be directed to the post by the participating U.S. agency.
- b. Certifying authority (see 4 FAM 432) for medical expense vouchers chargeable to funds of participating agencies at all posts has been delegated to authorized certifying officers of the Department of State where the certifying function is normally performed for the U.S. agency under an administrative support agreement.

4 FAM 445.3 Authorized Medical Services

(CT:FIN-411; 09-20-2010)

Authorized medical services are explained in 16 FAM 100, Medical and Health Program. These typically include immunizations, examinations, hospitalization, family advocacy counseling and related treatment, medical travel, and travel of medical attendants. For medical coverage, see 16 FAM

530, Medical Coverage Limitations and Conditions.

4 FAM 445.4 Internal Controls

(CT:FIN-411; 09-20-2010)

Appropriate internal controls must be in place to ensure correct charging of medical expenses, the processing of medical billings, employee claims, and the vouchering and paying of medical vouchers. See guidance contained in sections 4 FAM 445.4-1 through 445.6 for detailed procedures to use and appropriations to charge or credit.

4 FAM 445.4-1 Direct Medical Expenses

(CT:FIN-411; 09-20-2010)

Direct medical expenses incurred on behalf of Department of State personnel (U.S. employees or EFMs) are chargeable to the applicable appropriation (Working Capital Fund (WCF) 19X4519.5) and Washington-held allotment (6025), prescribed by 4 FAH-1, and a specific obligation number (e.g., hospitalization and related expenses such as examinations, immunizations, and medical travel.) Authorized direct medical expenses incurred on behalf of personnel of other participating U.S. agencies are chargeable to the respective U.S. agency's fund in accordance with the funding instructions provided by the U.S. agency concerned.

4 FAM 445.4-2 Shared Medical Expenses

(CT:FIN-411; 09-20-2010)

Shared medical expenses are those expenses funded under the International Cooperative Administrative Support Services (ICASS) agreement. Shared medical expenses are funded by the separate ICASS WCF point limitation 19X4519.1. Each U.S. agency receiving such services is billed for its share of these expenses in accordance with the ICASS agreement (see 6 FAH-5 H-900).

4 FAM 445.4-3 Employee Reimbursement

(CT:FIN-411; 09-20-2010)

Reimbursements of the employee's share of the cost of medical care are credited to the WCF 19X4519.5 appropriation account and are available for obligation and expenditure during the fiscal year in which they are received or for such longer period of time as may be provided in law. Department of State allottees and participating U.S. agencies are advised of such credits to their funds by Form FS-477, Liquidation Transfer Journal Voucher, when the deposit is received.

4 FAM 445.4-4 Medical Deposits Made Overseas

(CT:FIN-411; 09-20-2010)

When reimbursements are made at posts, Form OF-158, General Receipt, must be prepared and a copy given to the employee as a receipt. A copy of the Form OF-158 must also be forwarded to RM/GFS/F/AR to ensure the collection is properly recorded against the receivable. All receipts must cross-reference the covering Form DS-3067, Authorization for Medical Services for Employees and/or Dependents (formerly FS-569). The specific obligation number for authorized medical charges must be stated.

4 FAM 445.5 Medical Expense Charges

4 FAM 445.5-1 Medical Facilities Billing

(CT:FIN-411; 09-20-2010)

- a. Medical services authorized at U.S. Government expense at U.S. Government facilities (e.g., U.S. military hospitals) should be billed to the authorizing post or to MED on Form SF-1080, Voucher for Transfers Between Appropriations and/or Funds, supported by copy No. 2 of Form DS-3067, Authorization for Medical Services for Employees and/or Dependents (formerly FS-569), or post's letter authorizing examination or immunization.
- b. Medical services authorized in advance at Government expense in non-U.S. Government facilities should be billed to the authorizing post. The billing is supported by copy No. 2 of Form DS-3067 for hospitalization and related services and by the post's letter authorizing examination or immunization.
- c. When patients are evacuated to facilities in the United States, hospitalization and related services are authorized by the Department of State, Office of Medical Services (MED) on Form DS-3067. All such medical expenses in excess of the amount covered by the employees FEHBA (Federal Employees Health Benefits Act) or private health insurance coverage are billed to MED. MED will prepare and administratively approve the vouchers for payment by the respective U.S. agency in Washington. Billings received for in-service medical examinations obtained with letters of authorization issued by the employee's last post of assignment are returned to the authorizing post for payment. However, the billings for examination of AID personnel in the United States are forwarded to AID/W for payment.

4 FAM 445.5-2 Employee Claims

(CT:FIN-411; 09-20-2010)

- a. Upon receipt of a properly documented employee claim for out-of-pocket payments made by the employee, the principal or management officer, or designee, reviews the claim to determine whether the medical services are reimbursable under the provisions of 16 FAM. If so, first obtain authorization from MED citing a specific obligation number, then prepare Form MED-254, Voucher for Medical Services, and have it administratively approved for payment of the authorized amounts, less any amount actually recovered by the employee from medical insurance benefits.
- b. Reimbursement for authorized expenses incurred should not be delayed pending the filing of a claim for insurance benefits when the employee requests an immediate payment for reasons of financial hardship. The attending physician's certificate and statement identifying the medical treatment or disease treated by the physician and/or the post medical adviser are attached. The post transmits these documents with a copy of Form MED-254 as "medically privileged" information to the Department of State, Attention: Office of Medical Services (MED), for filing in the employee's medical record (see 16 FAM). The balance of the claim file is then forwarded for post certification and payment.

4 FAM 445.5-3 Vouchering Medical Expenses

(CT:FIN-411; 09-20-2010)

- a. All claims or billings for payment or reimbursement of medical expenses, such as hospitalization in a private hospital, other than travel and transportation expenses, are vouchered on Form MED-254. If hospitalized in U.S. Government facilities, billings for hospitalization and related treatment, immunization, and examinations are supported by Form SF-1080, Voucher for Transfers Between Appropriations and/or Funds, or other appropriate billing, and by copy No. 2 of Form DS-3067 or, for immunization and examination, by a copy of the signed letter of authorization (see 16 FAM).
- b. If hospitalized, an employee, after the fact, may claim reimbursement on a voucher for medical treatment expenses that is supported by the request for reimbursement and attached evidence for all expenses paid by the employee. Employee claims for reimbursement of expenses incurred for examination or immunization of dependent children need only be supported by the receipted invoice of the attending physician and approval by MED.
- c. Medical travel and transportation expenses must be vouchered and paid in accordance with the provisions of 4 FAM 460, Travel and Travel Advances, and 4 FAM 470, Transportation of Passengers and Things, respectively. Compensation payments to contract medical attendants are vouchered on Form DS-2076, Purchase Order, Receiving Report and

Voucher (formerly OF-206). Vouchers covering compensation, travel, or transportation for contract medical attendants are supported by a copy of the medical attendant agreement in each case (see 16 FAM).

- d. Medical reports **must never be attached** to vouchers. Such reports are “medically privileged” information, and whenever they are received with billings, they must be detached and transmitted immediately to MED.

4 FAM 445.5-4 Paying Medical Vouchers

(CT:FIN-411; 09-20-2010)

- a. The responsible authorizing officer administratively approves all medical expense vouchers (see 4 FAM 445.2) prior to certification and payment. Approving officers cite the obligation number and state that the expenses claimed in each case are authorized under the provisions of 16 FAM.
- b. On all vouchers covering hospitalization and related medical expenses, the authorizing post prepares the original request to the employee requesting the employee to claim recoverable medical insurance benefits (see 16 FAM 500, Payment of Medical Expenses).

4 FAM 445.6 Recovering Medical Insurance Benefits—Post Collection and Remittance

(CT:FIN-411; 09-20-2010)

- a. The authority to recover medical insurance benefits payable to U.S. employees and EFMs hospitalized under the Department of State Medical Program, less any authorized out-of-pocket medical expenses, is defined in 16 FAM 520, Responsibility for Payment of Medical Expenses.
- b. Instituting post collections:
 - (1) The management officer or designee should:
 - (a) Ascertain the insurance status of the employee or EFMs, enter the necessary information on Form DS-3067, Authorization for Medical Services for Employees and/or Dependents (formerly FS-569), and obtain the employee’s signature at the time of preparation or as soon as possible in cases of emergency hospitalization;
 - (b) Prepare Form DS-996, Medical Care at Government Expense (formerly DSL-996), upon administrative approval by MED of the expenses incurred, requiring that the employee or Eligible Family Members (EFMs) claim recoverable insurance benefits;
 - (c) Assist the employee or EFM in preparing insurance benefit claim and provide the necessary supporting information

regarding expenses paid from appropriated funds. Obtain claim forms from the Federal Health Insurance companies (employees obtain their own forms from other companies) when the Form DS-996 is prepared. Request the employee to assign health insurance benefits to Post, whenever possible, and have the health insurance provider send reimbursement checks directly to the post financial management office for deposit (see 2006 State 92804, 2005 State 127534 – Blue Cross, and 2003 State 345265 – Foreign Service Benefit Plan). The claim should include instructions for the insurance reimbursement to be sent to the post for deposit;

- (d) Take follow-up action with the employee, for each outstanding claim, every 30 days for up to 90 days, reminding the employee that, if reimbursement is not made for collection of the proceeds of recoverable benefits or if evidence that the claim has been denied is not provided to post, collection from the employee will be instituted (see 16 FAM 523); and
 - (e) Notify RM/GFS/F/AR to bill the employee 30 days after being notified of payment by the health carrier or after the 90 days cited in paragraph d of this section have elapsed;
- (2) Employees are responsible for:
- (a) Furnishing a copy of the claim form, as submitted, to the financial management office; and
 - (b) Providing the financial management office with copies of any “Explanation of Benefits Statement” received from the insurance carrier.

c. Disposition of Remittances:

- (1) Financial management offices should process proceeds of medical insurance benefits received from employees and/or eligible family members such as insurance company checks, in the following manners:
 - (a) **Deposit procedures:** The employee or EFM endorses the insurer’s check and submits it to the Department of State cashier at the employee’s assigned post. The cashier records the collection on Form OF-158, General Receipt, in accordance with prescribed collection procedures to deposit the refund to the appropriation, allotment, and obligation number charged with the medical expenses. In all cases, Form OF-158 is cross-referenced to the covering Forms DS-3067 and DS-0996; and

- (b) **Out-of-pocket expenses:** When applicable, an employee submits a claim to the post principal or management officer, supported by receipts, for authorized out-of-pocket medical expenses for hospitalization paid by the employee. If the claim is authorized by MED for payment and the employee receives an insurance reimbursement, the employee is required to refund the amount of the insurance check. The employee submits either a personal check payable to the post or cash (U.S. dollars, or the equivalent in local currency) with a copy of the insurance company claim voucher or statement and a copy of the post's request letter attached;
 - (2) The employee's remittance is treated as an official collection and reimbursement to the appropriation, allotment (6025) and authorizing obligation number charged with the medical expenses incurred in behalf of the employee or the employee's EFM. Post should notify MED when payment is received for the receivable to be closed; and
 - (3) MED must notify the post to verify the outstanding amounts when reimbursement checks are erroneously received in MED, rather than the post. Upon verification, MED will deposit the check to the appropriation, allotment (6025), and authorizing obligation number.
- d. Employees having private health insurance or FEHBA (Federal Employees Health Benefits Act) coverage are required to file claims in accordance with insurance carrier rules to recover expenses incurred as a result of illness or injury for which the U.S. Government has paid for the medical care. Failure of an employee to recover insurance payments, unless such failure is for reasons beyond the control of the employee, nullifies the employee's right to health service at U.S. Government expense. The employee is held indebted to the U.S. Government for the amount of the payment for which the employee filed a claim in accordance with the rules of the insurance carrier. Post must notify Accounts Receivable (RM/GFS/F/AR) to record the receivable and bill the employee (see 4 FAM 490.)
- e. When hospitalization or related medical expenses at U.S. Government expense are authorized in facilities abroad, the post determines whether collection from the employee is required and the subsequent disposition of any remittance.

4 FAM 445.7 Department of Labor's Reimbursement for FSN Employee Emergency Medical Expenses

(CT:FIN-411; 09-20-2010)

- a. Work-related emergency medical care of Foreign Service National (FSN) employees of the Department and other U.S. Government agencies serviced by the Department are authorized according to 3 FAM 3630. The funding and payment of such expenses for State FSN employees is from appropriated funds, Washington-held allotment 2034, and for AID FSN personnel, the appropriated funds allotment used to pay the employee's salary. All medical expenses of FSN employees of other U.S. agencies are paid in accordance with the post's medical health policy approved by all U.S. agencies at post.
- b. The Department of Labor Office of Workers' Compensation Program (OWCP) will reimburse the Department upon certification by the appropriate officer that the treatment for which payments were made was for injury sustained in the performance of duty and that such injury was not caused by the willful misconduct of the employee or by the employee's intention to bring about injury to self or another, and that intoxication was not the approximate cause of the injury.
- c. Following are the procedures for the funding and processing of FSN Employee Emergency Medical Expenses as authorized for treatment on Form DS-3067, Authorization for Medical Services for Employees and/or Dependents (formerly FS-569):
 - (1) Post forwards the claim for reimbursement supported with two (2) copies of each of the following documents to RM/GFS/F/AR, which will bill the Department of Labor, Bureau of Employee's Compensation (BEC) on Form SF-1081, Voucher and Schedule of Withdrawals and Credits:
 - (a) Form DS-3067: Authorization for Medical Services for Employees and/or Dependents (formerly FS-569);
 - (b) Form CA-1: Department of Labor Form, Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation;
 - (c) Form CA-2: Department of Labor Form, Notice of Occupational Disease and Claim for Compensation; and
 - (d) Form MED-254: Voucher for Medical Services;
 - (2) Reimbursement is made by Labor to control number 1620_10 (enter the fiscal year where underscored) on all voucher copies. Post should forward Form MED-254, Voucher for Medical Services, to the Department for deposit; and
 - (3) For other FSN employee benefits and documentation under the Federal Employees' Compensation Act, see appropriate sections of 3 FAM.

4 FAM 446 OFFICIAL RESIDENCE EXPENSES

4 FAM 446.1 General

(CT:FIN-411; 09-20-2010)

- a. The principal representatives eligible to claim reimbursement for official residence expense (ORE) and the officers with the authority to designate a dwelling as an official residence are identified in 3 FAM 3250, Official Residence Expenses. The allowable expenditures in connection with the operation and maintenance of an official residence are prescribed in the Department of State Standardized Regulations (Government Civilians, Foreign Areas), chapter 400 and in 15 FAM, Overseas Buildings Operations. Other Department of State policy related to ORE is contained in 3 FAM 3250 and 3 FAH-1 H-3250.
- b. Official residence expense (ORE) employees are employees of the individual occupying the ORE residence. These individuals are not employees of the U.S. Government (see 3 FAM 3251.3 and 3 FAM 3255.2). If ORE employees are not terminated during periods when no one is assigned to the ORE residence, the management officer or the appropriate equivalent officer will be responsible for implementing the Department of State Standardized Regulations (DSSR) specified in Section 430 (see also 4 FAM 446.3c).

4 FAM 446.2 Authorities

(CT:FIN-411; 09-20-2010)

Both 5 U.S.C. 5913 and Executive Order 10903 authorize the Secretary of State to allot funds to posts in foreign countries for the purpose of defraying expenses incident to the operation and maintenance of an official residence for the principal representative to extend official hospitality and maintain the official residence for the purpose of hosting official functions.

4 FAM 446.3 Official Residence Expense (ORE) Reimbursements

(CT:FIN-411; 09-20-2010)

- a. ORE may be paid directly to the provider of the service or reimbursed to the officer. A principal representative or those designated as principal representatives regardless of rank or grade, must agree to pay three and one-half percent of his or her annual salary towards the regular operation of the household (i.e., usual expenses) in order to be eligible for reimbursement of official residence expenses.

- b. When total household costs are likely to be less than three and one-half percent of the principal representative's salary, the officer may elect to pay actual household expenses (both usual and unusual) directly and not to seek reimbursement under ORE. The principal representative must make this decision upon arrival at post and annually on January 1 each subsequent year. The election remains in effect through December 31 and may not be changed during the calendar year. However, an elective change may occur at the beginning of the next calendar year.
- c. In cases where an employee maintains a personal residence and accepts responsibility for another officer's official residence while a representative position is vacant or the representative officer is absent from the post for a period in excess of 30 consecutive calendar days, expenses of the official residence under the responsibility of the employee may be charged to ORE (see 3 FAM 3252.2b).

4 FAM 446.4 Advances

(CT:FIN-411; 09-20-2010)

- a. Officers occupying official residences may request an advance from the post financial management officer (FMO) for expenses that will exceed the normal maintenance cost as defined in 3 FAM 3253.1. An FMO may only advance amounts for the allowed expenses authorized in 3 FAM 3255.
- b. ORE advances should be extended for the minimum amount needed to defray the excess costs of an official residence that are paid by the principal representative. ORE advances should not exceed one (1) month's ORE expenses. Advances should be outstanding only for time periods needed to cover the monthly ORE costs that may be claimed.
- c. ORE advances may not cross fiscal years and must be closed out by September 30 of each fiscal year. After the close of the fiscal year, the advance may be immediately re-established on October 1 of the new fiscal year.
- d. When a permanent change of station occurs, all advances to officers and employees under this section must be closed out when the residence is vacated even if the officer or employee with the advance has not departed post.
- e. All ORE advances will be personal advances to the officer and may only be available when assigned and occupying an official residence. Personal advances for ORE expenses may likewise be extended to employees acting for the principle representative during extended periods of absence consistent with provisions in 3 FAM 3252.2 b and Department of State Standardized Regulations (DSSR) 430.

- f. ORE advances are not authorized for individuals that may be subject to 3 FAM 3253.2 and elect the option “not to contribute” and “not to seek reimbursement” offered in 3 FAM 3254b.

4 FAM 446.5 Vouchering Official Residence Expenses

(CT:FIN-411; 09-20-2010)

- a. The three and one-half percent (3.5%) contribution from a principal representative or authorized official (officer) is accounted for on an annual basis and applies to the entire period the person is assigned to an official residence. The contribution period is based on a calendar year and mid-year arrivals and departures are prorated (see DSSR 455). When an officer arrives in the middle of a calendar year, the contribution period begins upon arrival and occupying the residence and ends on December 31. A new contribution period begins on January 1 and ends on December 31 or upon departure to another assignment whichever comes first.
- b. Official residence expense (ORE) may be paid directly to the provider of the service or reimbursed to the officer and should be claimed and vouchered on Form DS-2076, Purchase Order, Receiving Report and Voucher. All amounts for ORE must be vouchered prior to payment. Payments may be sent via EFT to the bank account or accounts designated by the ORE claimant.
- c. Vouchers do not have to be prepared and processed when an officer elects to pay all ORE directly from personal funds and complies with the provisions in 3 FAM 3254b. When an officer elects this option there will be no advances, and all ORE expense payments will be the personal responsibility of the officer.

4 FAM 447 SUPPLIES AND SERVICES

4 FAM 447.1 Advertising for Supplies and Services

(CT:FIN-411; 09-20-2010)

- a. The special requirements and procedures necessary for the procurement of and payment for advertising services are set forth in 44 U.S.C. 3702 and 3703 and in 5 U.S.C. 302(b). Advertisements, notices, proposals for contracts, and all forms of advertising required by law may be paid for at prices not exceeding the commercial rates charged to private individuals with the usual discounts (44 U.S.C. 3703). Lower terms at special rates may be secured when in the public interest. The Secretary of State may

additionally delegate to subordinate officials the authority vested by 44 U.S.C. 3702, to authorize the publication of advertisements, notices, or proposals. Delegated authority to authorize advertising may not be re-delegated unless otherwise authorized by law.

- b. Every invoice for advertising must be accompanied by a copy of the advertisement or an affidavit of publication furnished by the publisher, radio or television station, or advertising agency concerned (44 U.S.C. 3703).

4 FAM 447.2 Contract Employees

4 FAM 447.2-1 Individual Contracts

(CT:FIN-411; 09-20-2010)

When an individual is contracted to perform a professional service, Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206), is used overseas while Form SF-1034, Public Voucher for Purchases and Services Other Than Personal, is used domestically to voucher the payment. A separate voucher must be prepared for each contracted individual, showing the contract number, name of contracted individual, social security number (SSN), hours worked, hourly rate, and the total to be paid on each voucher.

4 FAM 447.2-2 Personal Services Contract Employees/Personal Services Agreement Employees

(CT:FIN-411; 09-20-2010)

- a. Where an employer-employee relationship exists, the individual contracted is a personal services contract or personal services agreement employee, as defined in 3 FAM 7120, Definitions. Withholding and reporting of Federal Insurance Contributions Act (FICA) contributions, U.S. Federal income tax and State tax are required when such individuals are subject to U.S. tax.
- b. Form JF-62, Personal Services Contracting Action, or Form JF-62-A, Personal Services Agreement Action, must be used for recording the contract into the appropriate payroll system. All such payments and reporting are thus made through the payroll system (see 4 FAM 500, Payroll, Time and Attendance, and Leave Accounting).
- c. See 3 FAM 7000, Overseas Employment, for guidance regarding personal services agreements (PSAs) under State Department Authority 22 U.S.C. 2669(c). With the institution of the PSA, employment by personal services contract is no longer sanctioned as a Department of State employment mechanism for locally recruited and hired foreign nationals

or U.S. citizens.

4 FAM 447.3 Drinking Water

(CT:FIN-408; 08-23-2010)

- a. Bottled water for employee use is ordinarily considered a personal expense. Absent specific statutory authority, appropriated funds may not be used to purchase bottled water where the public water supply is safe for drinking. The General Accountability Office has permitted appropriated funds to be used for bottled drinking water only where the public water supply is unsafe for drinking purposes (17 Comp. Gen. 698 (1938)) and only upon showing that the water was provided as a necessity (GAO decisions B-247871, Apr. 10, 1992 and B-301152, May 28, 2003). The necessity standard that must be met requires an analysis by appropriate authorities that the drinking water available is found to pose a health risk for employees.
- b. Unless specifically exempt by a specific statute, each voucher containing charges for drinking water must be supported by a certificate that the local water supply is found to pose a health risk (see paragraph a of this section), no other water safe to drink is available without charge or at a lower cost, and a brief statement of the facts.
- c. **Bottled water for the office:** All purchases of water for the office using appropriated funds must comply with the requirements of paragraph b of this section, since bottled water is considered a personal expense when potable drinking water is available. Appropriated funds may not be used to pay for this expense, without specific statutory authority to do so.
- d. **Purchasing bottled water when traveling:** For all travelers, the expense of bottled water is to be covered by their meals and incidental expenses (M&IE) allowance. This includes water purchased at eating establishments, hotels, or at post facilities. If post has a certificate on file that supports the fact that potable water is not available at the post, then appropriated funds may be used by the post to pay for travelers' bottled water.
- e. **Bottled water for U.S. Government-provided quarters and residences:** References to drinking water for residences abroad can be found in 15 FAM 723, paragraph a, and 15 FAM Exhibit 723 (B) (includes water filters under supplemental furniture, furnishings, appliances, and equipment (FFA&E) for U.S. Government-furnished residences). Bottled water may not be substituted for this equipment for the convenience of the employee and their dependents and may only be provided at U.S. Government expense when no other option is available.

4 FAM 447.4 Postage

(CT:FIN-411; 09-20-2010)

When postage stamps are purchased, the number, denomination, and unit cost of stamps must be shown on Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206).

4 FAM 447.5 Newspapers, Magazines, and Other Publications

(CT:FIN-411; 09-20-2010)

- a. Print subscriptions, in hard copy or electronic form, to newspapers, magazines, and other periodicals for official use of the U.S. Government may be paid in advance. Such advance payments do not have to be limited to a 1-year period. Where it is advantageous for the purpose of economy or otherwise to subscribe to a publication for a longer period, payment may be made from current appropriations otherwise available for such purpose.
- b. While publications can be accessed through the internet, the internet is a service, like telephone service, and therefore does not meet the definition of "publication" and does not fall under the exemption for advance payments of a subscription to a publication as outlined in FAR 32.404.

4 FAM 447.6 Printing and Binding

(CT:FIN-411; 09-20-2010)

- a. Certain printing and binding work is exempt from the requirements of 44 U.S.C. 501, which provides that all such work be done by the U.S. Government Printing Office except when urgent or necessary to have such work done elsewhere. Exemptions include:
 - (1) Certain current appropriation acts of the Department (when the exemption is included in a current appropriation act, the same exemption would apply and carry over only if contained in future appropriation acts); and
 - (2) Enabling legislation that establishes various programs of the Department.
- b. Vouchers covering exempted printing and binding work must contain the statement "Not subject to 44 U.S.C. 501."
- c. Vouchers covering printing and binding work procured elsewhere than at the U.S. Government Printing Office, chargeable to appropriations not exempted, must contain the following statement of the certifying officer:

“I hereby certify as a responsible officer that the printing and/or binding covered by this voucher was in my opinion, urgent or necessary to have done elsewhere than in the District of Columbia for the exclusive use of the field service.”

- d. Expenditures for printing, engraving or purchase of invitations to official functions, seasonal greetings cards, or other printing and engraving related to representation functions can be reimbursed from representational funds where there exists agency authority for such printing and engraving (e.g., Department of State authority under 22 U.S.C. 2669(A)). Pay all invitations of a generic nature from Diplomatic and Consular Program (D&CP) printing obligations if such printing is clearly established as official (see section 330 of Department of State Standardized Regulations (Government Civilians, Foreign Areas)).
- e. The purchase of business cards may be authorized by each bureau executive office. Subject to these policies, managers may authorize the purchase of business cards for employees who need them for official purposes. Note: Employees must not use domestic representation (K funds) for business card purchases.
- f. For additional guidance see 5 FAM 1300.

4 FAM 447.7 Repairs and Replacements

(CT:FIN-411; 09-20-2010)

All vouchers for the cost of repairs to buildings or other real property, automobiles, trucks, or equipment rented or leased from private sources, must contain a reference to the specific rental or lease agreement showing the obligation of the U.S. Government.

4 FAM 447.8 Telecommunications—Telephones

(CT:FIN-411; 09-20-2010)

- a. Telecommunications services and equipment include telephones, telegraph, radios, satellite links, computers and networks, facsimile machines and televisions (see 5 FAM 500). It also includes cellular phones, wireless devices like “Blackberries”, and Internet Service Providers (ISP).
- b. Department appropriations may be used to pay for installations of telephones in residences owned or leased by the U.S. Government in foreign countries for the use of the Foreign Service (31 U.S.C. 1348 (a)(2) and as allowed under DSSR 452d.
- c. Vouchering for:
 - (1) **Installation charges:** When allowed charges for initial installation

and removal of telephone instruments and trunk lines in U.S. Government-held (-owned or -leased) quarters, and continuing service charges when U.S. Government-held residential quarters are unassigned, voucher on Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206) supported by original invoices;

- (2) **Continuing charges:** Vouchers covering continuing service charges at unassigned U.S. Government-held quarters must include a statement citing the reason for the charge over the signature of the principal officer or designee;
- (3) **Reimbursements to chiefs of diplomatic missions** for continuing service charges voucher on Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206) supported by receipted invoices. The claimant executes the required payee's certificate. When charges are unaffected by the number of local calls made, or when they do not exceed a minimum or fixed amount, the claimant is reimbursed for the full invoice amount. When charges are based on the number of local calls made, or when they exceed a minimum or fixed amount, a statement should be included indicating the number of official local calls claimed for reimbursements, limited as follows:
 - (a) When charges are based on the number of local calls made, reimbursement will be limited to the cost of official calls claimed; and
 - (b) When charges are based on the number of local calls made in excess of a stated number, reimbursement will be limited to the minimum or fixed amount plus that portion of the excess charges resulting from official calls claimed;
- (4) **Local and long-distance calls:** When authorized, post should voucher and document local and long-distance telephone charges in accordance with the provisions of this section except that Form DS-2077, Purchase Order, Receiving Report and Voucher (Continuation Sheet), is not required in those instances when the telephone company's invoice reflects the identical information;
- (5) **Reimbursements to employees:** Vouchers reimbursing employees for long-distance calls (other than travel-related) in connection with official business are vouchered on Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206) and supported by a receipted invoice and a statement by the resident employee identifying the call;
- (6) **Cash payments of telephone and telegraph charges:** Post should voucher cash expenditures of the USDO for telephone and

telegraph charges on Forms DS-2076 and DS-2077. Separate vouchers may be prepared for telegraph and telephone services when such services are billed on the same invoice. When authorized by the financial management officer (FMO) to effect cash payments for telephone and telegraph charges, cashiers at fiscal-serviced posts submit cash receipts for such expenditures with Form OF-0205, Statement of Cash Operating Advance and Replenishment Voucher, supported and documented by Form DS-2077;

- (7) **Unofficial telephone charges:** When a voucher is prepared covering charges for both official and unofficial services, the cost of the latter is collected from the responsible individuals and recorded as deposit funds on Form OF-0158, General Receipt, in accordance with 4 FAH-3 H-326.2-4(3) (except consular fees) or 4 FAH-3 H-396, Collections. The cost of unofficial services is charged to the deposit funds received and the cost of the official services is charged to the applicable appropriation; and
- (8) For additional guidance see DSSR 410, Office Residence Expenses and 5 FAM 520 Telephone Services.

4 FAM 447.9 Utilities

(CT:FIN-411; 09-20-2010)

- a. Payments for utilities must be supported by a voucher showing the amounts and type of utility service received. In addition, see 4 FAH-3 H-394.2-4 and 4 FAH-3 H-053.6.
- b. Post must use Form DS-2076, Purchase Order, Receiving Report and Voucher, or Form SF-1166, Voucher and Schedule of Payments, for vouchering utility charges, (i.e., water, electricity, gas, sewage). When the type of utility, period covered, and beginning and ending meter readings are shown on the invoices supporting the Form DS-2076 or Form SF-1166, this information does not have to be typed in the Articles and Services block on Form DS-2076.

4 FAM 448 MISCELLANEOUS ITEMS

4 FAM 448.1 Employee Awards

(CT:FIN-411; 09-20-2010)

- a. Appropriated funds may be used to pay awards to employees.
- b. Payments to employees for incentive awards are paid through the

appropriate payroll system. All cash awards presented to U.S. personnel are considered income by the Internal Revenue Service (IRS) and subject to withholding and other payroll taxes. Cash awards to local employed (LE) staff may be subject to withholding and other payroll taxes and/or local taxes and reported to the proper local authorities. In the rare and exceptional instance when such awards cannot be paid through the payroll system, post should voucher them on Form DS-2076, Purchase Order, Receiving Report and Voucher (formerly OF-206), and inform the appropriate payroll office of the payment.

- c. Process awards to U.S. employees through their appropriate payroll office by submitting a covering memorandum with supporting documentation (amount, fiscal data, method of payment, etc.). The payroll office must withhold all appropriate income taxes and adjust the taxable earnings records of the employee for tax reporting purposes.
- d. Awards to locally employed staff must be made in local currency not to exceed the award amount stated in U.S. dollars.
- e. All regulations and criteria about the Department's Incentive Awards program may be found in the 3 FAM 4800, Department Awards Program, and 3 FAM 4840, Recognition Awards, and the corresponding FAH subchapters.

4 FAM 448.2 Membership and Meeting Fees

(CT:FIN-408; 08-23-2010)

- a. **Membership fees or dues** in a society, club, or association may be paid from appropriated funds when the membership is shown to be essential to the operation of the Department and provides a direct benefit to the U.S. Government, as opposed to a primary benefit to the individual employee. The membership must be institutional and not be in the name of an individual employee (5 U.S.C. 5946). Examples include overseas membership to foreign press clubs where media activities essential to Departmental public affairs and public diplomacy operations take place, or "library membership" in an organization that would allow the employee to receive publications available to members only, or allow the employee to purchase generally available publications at a reduced rate. Use diplomatic and consular program funds for this purpose. The intent of this authorization is to enable employees to associate with professional groups; to benefit the Department by providing access to information and activities of those groups; and, through the forum those groups provide, for the employee/member to express U.S. interests. U.S. Government payment or reimbursement of memberships in social, sporting, or similar organizations, such as golf clubs, country clubs, swimming clubs, hiking/biking clubs, yacht clubs, etc., is **not** permitted. Under the U.S.

Government Employees Training Act, membership fees may be paid if the fee is a necessary cost directly related to the training or a condition precedent to undergoing the training (5 U.S.C. 4109(b)).

- b. **Meetings:** Appropriated funds may be spent for employee attendance at non-U.S. Government hosted professional meetings if such attendance relates to Departmental functions and is of primary benefit to the U.S. Government, although the employee receives an incidental benefit. Associated meal costs may be covered when these are incidental to the business of the meeting; attendance of the employee at the meal is necessary for full participation in the business of the meeting; the employee is not free to take the meal elsewhere without being absent from essential formal discussions of the meeting; and the meal is included in the attendance fee. Either operating funds or representational funds may be used, depending on the circumstances and purposes of the meeting, as determined by the chief of mission or designated representative. Reimbursement for any meal costs paid directly by the employee is not allowable.

4 FAM 448.3 U.S. Citizens Abroad

(CT:FIN-411; 09-20-2010)

- a. Payments of expenses for persons charged with crime against the United States, maintenance of U.S. citizens incarcerated abroad, or repatriation loans must be supported by appropriate vouchers and documentation.
- b. Repatriation loans are authorized by section 4 of the State Department Basic Authorities Act. The Repatriation Loans program provides emergency loans to assist eligible U.S. citizens and eligible family members abroad that have no other source of funds to return to the United States. Consular Officers must authorize such payments. See 7 FAM 310 and 7 FAM 370 for additional guidance. Emergency medical and dietary assistance loans for incarcerated or destitute U.S. citizens abroad are authorized by 22 U.S.C. 2670(j) (Public Law 95-426 (1978)). See also 7 FAM 380.

4 FAM 448.3-1 Expenses of Persons Charged With Crime Against the United States

(CT:FIN-411; 09-20-2010)

Post uses Form DS-2076, Purchase Order, Receiving Report and Voucher (Formerly OF-206), to voucher disbursements for expenses incurred, pursuant to instructions received from the Department, in connection with the arrest, imprisonment, and transportation of persons charged with crime against the United States. The voucher must cite the Department's

instruction authorizing the expenses.

4 FAM 448.3-2 Maintenance of U.S. Citizens Incarcerated Abroad

(CT:FIN-411; 09-20-2010)

Post must use Form DS-2076, Purchase Order, Receiving Report and Voucher (Formerly OF-206), to voucher expenses for keeping and feeding U.S. prisoners incarcerated abroad. The post's consular officer initiates and approves these payments with Departmental approval. These expenses are chargeable to the current appropriation after making necessary provisions as stated in 7 FAM 440. Consular officers must authorize such payments.

4 FAM 448.3-3 Repatriation Loans

(CT:FIN-411; 09-20-2010)

Post should use Form DS-2076, Purchase Order, Receiving Report and Voucher (Formerly OF-206), to voucher repatriation loans as authorized by 7 FAM 312.3-2 and 7 FAM 370. The original Form DS-2076, along with a copy of the application and the original promissory note, must be submitted with the USDO's monthly Form SF-1221, Statement of Transactions (Foreign Service Account). Post must forward a signed copy of the promissory note, sent by the consular office, directly to Accounts Receivable (RM/GFS/F/AR), as the basis for setting up the centralized receivable.

4 FAM 448.4 Food and Light Refreshments for Department-Sponsored Events

4 FAM 448.4-1 General Prohibitions and Exceptions

(CT:FIN-408; 08-23-2010)

- a. As a general rule, appropriated funds cannot be used to provide food or light refreshments for employees at their duty station. For this reason, appropriated funds must not be used to purchase food for Department-sponsored events unless specifically authorized by statute. Authorized exceptions to the general prohibition regarding using appropriated funds to pay for food at Department-sponsored events include:
 - (1) Representational events, as permitted under the Department of State Standardized Regulations (DSSR) 320, 3 FAM 3240, and 3 FAH-1 H-3240 for representation events abroad, and the Domestic Representation Guidelines issued by the Bureau of Resource Management (RM) for domestic representation events;

- (2) Award ceremonies under 5 U.S.C. 4503, the Government Employees' Incentive Awards Act, that authorizes funds when it has been determined that it is appropriate to provide light refreshments. Each bureau or post makes this determination. Note: Purchasing alcoholic beverages with appropriated funds, with the exception of representation funds, are not authorized;
 - (3) Department-sponsored international conferences that meet the criteria specified in 4 FAM 448.4-3; and
 - (4) Cultural awareness ceremonies in accordance with 4 FAM 448.4-4.
- b. Alcoholic beverages, souvenirs or favors, and decorations may not be purchased with operating funds authorized under these provisions.

4 FAM 448.4-2 Food for Employee Award Ceremonies

(CT:FIN-393; 06-12-2008)

- a. Bureaus and posts are permitted to use operating funds to provide for light refreshments at awards ceremonies when the following conditions are met:
 - (1) Official Department awards will be presented at the ceremony, as authorized by the Department Awards Program (see the Government Employees' Incentive Awards Act, 5 U.S.C. 4501–4506, and 3 FAM 4800);
 - (2) The awards ceremony is designed to publicly recognize award recipients, and attendance will not be limited to award recipients;
 - (3) Light refreshments will materially enhance the effectiveness of the awards ceremony by advancing recognition of award recipients; and
 - (4) The refreshments will be served as part of the awards ceremony.
- b. The awards committee of the bureau or post concerned must document that the above conditions have been met and approve the use of operating funds for the awards ceremony.
- c. If light refreshments are served, they must be made available as part of the awards ceremony. The cost may be considered a "necessary expense" and may be charged to operating appropriations rather than to the post or office representation account.
- d. Procedures governing the approval and purchase of food for these events are contained in 4 FAM 448.4-5.

4 FAM 448.4-3 Food for Department-Sponsored International Conferences

(CT:FIN-408; 08-23-2010)

The use of appropriated funds to provide food and light refreshments at U.S. Government functions, including meetings, workshops, conferences, etc., is not permitted, in accordance with 31 U.S.C. 1345, absent specific statutory authority. The Department does have authority under Section 2 of the State Department Basic Authorities Act (22 U.S.C. 2669), in light of its legislative history, to use operating funds to pay for food/subsistence as part of hospitality at an international conference either in the United States or overseas. For purposes of this section, the executive director or an equivalent level domestically or the post management officer overseas must provide justification stating the topic is of an international nature and include a participant list that shows representatives from foreign governments.

4 FAM 448.4-4 Cultural Awareness Ceremony

(CT:FIN-382; 12-14-2006)

- a. Operating funds may be used to pay for food for employees as part of a cultural awareness ceremony if the food is part of a formal program to advance EEO objectives and to make the audience aware of the cultural or ethnic history being celebrated. The food provided should be a sample of the food of the culture, not a meal, and should be offered as part of the larger program to serve an educational function. Take appropriate steps to avoid the appearance of providing meals to employees at their duty stations under the auspices of a cultural awareness ceremony. For example, the food offered should not represent all the various courses of what constitutes a meal, and, if the food is served during an ordinary meal time, employees should be advised in advance that they should make their own arrangements for lunch.
- b. The procedures for approval and purchase of food for these events are contained in 4 FAM 448.4-5.

4 FAM 448.4-5 Procedures for Procuring and Vouchering for Food at Department-Sponsored Events

(CT:FIN-408; 08-23-2010)

- a. When procuring food for an employee awards ceremony, a Department-sponsored international conference, or a cultural awareness ceremony, the food must be procured in accordance with 4 FAM 448.4. Advance approval must be obtained before initiating any food purchases via a purchase order or purchase card. The approving official must be the executive director or an equivalent level domestically or the post management officer overseas. This decision must not be delegated to a financial management officer.
- b. While a format is not specified, approval documentation must be signed

and dated by the appropriate approving official and retained in the approving official's office:

- (1) For an employee awards ceremony, the approval documentation must state that the four criteria listed in 4 FAM 448.4-2 have been met; describe the food to be provided; and state the estimated cost;
 - (2) For an international conference, the approval documentation must state conference purpose (including its name, dates, and location) and that the requirements of this section have been met. The documentation must also have a conference agenda, participant list, a description of the food to be provided, and an estimated cost based on the number of participants; and
 - (3) For a cultural awareness ceremony, the approval documentation must state that the food is in support of EEO objectives; cite the specific cultural ethnic history being celebrated; describe the food to be provided; and state the estimated cost.
- c. As a best practice and the preferred procedure, make food purchases through the entity supporting the event (e.g., hotel, conference center, etc.) unless a more cost-effective or efficient alternative is available to the GSO or individual authorized to procure the food.
- d. Use the purchase card to the maximum extent possible when food is procured separately from the event space or facility. To utilize this option, the cardholder's program coordinator (bureau executive director or post management officer) must submit a written justification using the A/OPE "Tool Kit" for a "One-Time Forced Authorization" to purchase food. The Tool Kit serves as the internal control mechanism to process the forced authorization and is available from the Office of the Procurement Executive (A/OPE) Web site. The completed Tool Kit request must be signed by the program coordinator and must clearly identify the event purpose (including its name, dates, and location); identify the types of food to be purchased; contain a participant list by traveler name; and state that the cost is based on these participants. The Tool Kit must also include:
- (1) Name and phone number of the cardholder;
 - (2) Most recent date of cardholder training (must be within past 2 years);
 - (3) Last five digits of the cardholder's account number;
 - (4) Anticipated date(s) the charges will be made;
 - (5) Name of the vendor; and
 - (6) The total estimated amount of the forced authorization request for

the food.

Submit completed Tool Kits directly to the Logistics Policy and Professional Development Division (A/LM/PMP/P) for review. After review and concurrence, A/LM/PMP/P will forward the completed Tool Kit for use of the purchase card for food to the purchase card program manager in the Office of the Procurement Executive (A/OPE) for final review and approval. Once A/OPE approves the Tool Kit, A/LM/PMP/P will coordinate the processing of the forced authorization with the card vendor.

- e. When the purchase card is not a viable option, use purchase orders as the next preferred procurement vehicle. The least preferred procurement vehicle for food is the individual Form SF-1164, Claim for Reimbursement for Expenditures on Official Business, which should be used only when either a purchase card or purchase order is not practical for the circumstances.
- f. Regardless of method, all purchases for food must be documented in advance and made in accordance with existing purchase card policies and procedures and/or the procurement and vouchering requirements identified in this section.
- g. When purchase orders are used instead of purchase cards, domestic bureaus must forward the documentation to the certifying location. Overseas locations should maintain the documentation for purchase orders in accordance with local procurement and certification procedures. For domestic Form SF-1164 voucher reimbursements, the Department is not requiring the submission of the approval documentation. However, the documentation must be available if requested at a later date. In addition, no cash advances will be made by the imprest fund cashier domestically for the procurement of food to be claimed on the Form SF-1164 later. Department receipt regulations must be followed, and all cash reimbursements under Form SF-1164 cash reimbursements may not exceed \$25. Reimbursement claims exceeding this amount (not to exceed \$500) must be made via electronic funds transfer to the claimant's bank account.

4 FAM 449 UNASSIGNED