

# OFFICIAL ENTERTAINMENT AND REPRESENTATION AUTHORIZATIONS

**Number:** DAO 203-10

**Effective Date:** 1996-10-01

## **SECTION 1. PURPOSE.**

.01 This Order prescribes general guidelines for expenditures of funds for official entertainment and representation.

.02 This revision: requires prior written approval from an authorized official for all official entertainment and representation expenditures; requires that official entertainment and representation expenditures of more than \$1,000 receive the prior written approval of the Chief Financial Officer and Assistant Secretary for Administration (the "Assistant Secretary"); and generally updates the Order.

## **SECTION 2. AUTHORITY.**

.01 Gifts and bequests accepted under the authority of 15 U.S.C. 1522-1524, Department Organization Order 10-5, "Chief Financial Officer and Assistant Secretary for Administration," and Department Administrative Order 203-9, "Gifts and Bequest," may be used for official entertainment and representation as set forth in this Order unless otherwise restricted by the donor.

.02 Contributions accepted under the authority of an appropriation act and the Mutual Educational and Cultural Exchange Act (MECEA) of 1961 (22 U.S.C. 2451 et. seq.) may be used for official entertainment and representation as set forth in this Order.

.03 Other funds may be used for official entertainment and representation expenses if agency legislation and appropriation acts so provide, or if they fall within one of the other exceptions to the general prohibition against the use of appropriated funds for entertainment expenses, and as set forth in this Order.

## **SECTION 3. DEFINITIONS.**

The following definitions apply for the purposes of this Order.

a. Authorized Official means an individual(s) appointed by a Secretarial Officer or head of a primary operating unit who has the authority to approve expenditures for official entertainment and representation (see paragraph 5.01 below).

b. Departmental Gifts and Bequests Manager means the Director, Office of Executive Budgeting and Assistance Management, as hereby designated by the Assistant Secretary.

c. Official entertainment means entertainment which furthers a Departmental purpose directly associated with the Department's statutorily mandated missions.

d. Representation means official entertainment abroad for the purpose of furthering the interests of the United States. State Department regulations apply to representation; see State Department Foreign Affairs Manual (FAM02-1434), "Arranging for Official Entertainment".

## **SECTION 4. DELEGATION OF AUTHORITY.**

.01 The authority delegated to the Assistant Secretary includes carrying out the

Secretary's responsibilities for gifts and bequests under 15 U.S.C. 1522, including expenditures of such funds. Limited authority to spend such funds for official entertainment and representation is hereby delegated to Secretarial Officers and heads of primary operating units with restrictions as specified in paragraph 5.05 below.

.02 This authority may be redelegated, except as otherwise provided in this Order. Those persons authorized to expend funds for official entertainment and representation are hereinafter referred to as "authorized officials."

## **SECTION 5. GUIDELINES FOR OFFICIAL ENTERTAINMENT OR REPRESENTATION EXPENDITURES.**

.01 Authorized officials must determine that an expenditure for entertainment or representation is considered essential to accomplish the Department's authorized programs or objectives. Furthermore, the authorized official must decide that the Department's functions could not be as effectively accomplished without incurring the expense. Officials organizing and approving the functions are responsible for exercising the judgement necessary to ensure that costs are commensurate with the location of the event, type of activity, local customs, as well as being limited to those Federal officials whose presence is necessary to accomplish the purpose of the function. Authorized officials must also determine that the cost per attendee is reasonable and that the locations are appropriate for official Government functions. Therefore, the facts must not only support the decision that the expenditure is justified and reasonable, but that the event is an official function with a clearly defined purpose to accomplish the Department's mission.

.02 When entertainment functions are being held at which at least 50% of attendees will be Federal employees, the Secretarial Officers or heads of primary operating units may approve the function after determining that the function is not primarily for the benefit of the Federal employees. This authority may not be further delegated.

.03 The Secretarial Officers and heads of primary operating units shall ensure that entertainment and representation expenditures do not exceed legal limitations that are established for appropriated funds; and obligations or expenditures for entertainment and representation from gifts and bequests and other funds do not exceed available funds. Operating unit budget officers are responsible for certifying that adequate funds are available for entertainment functions.

.04 Examples of appropriate official entertainment or representation include:

a. Luncheons and dinners for entertaining foreign dignitaries or U.S. citizens who are involved in activities of interest to the Department; and

b. The purchase of flowers, wreaths, and similar tokens for foreign dignitaries and U.S. citizens (excluding Federal employees) according to custom. (The provisions of Department Administrative Order 207-739, "Gifts and Decorations from Foreign Governments and to Foreign Individuals," apply regarding gifts to foreign dignitaries of more than token value.)

.05 Entertainment expenditures shall not be made for the following or similar purposes:

a. For activities primarily social in nature (e.g., office holiday parties or social engagements at government officials' homes) that do not have a legitimate connection with official Department functions as statutorily mandated;

b. For activities which are primarily for the benefit of government employees, including the provision of refreshments at office, staff, or work related meetings.

- c. For acquiring, maintaining, operating, or hiring passenger motor vehicles, including aircraft, unless specifically authorized by law (31 U.S.C. § 1343);
- d. For membership fees or dues in any society, club, or association (5 U.S.C. § 5946);
- e. For issuing seasonal holiday cards or other types of greeting cards (Comptroller General Decision B-115132, June 17, 1953);
- f. For supporting charitable activities or other outside community activities, unless provided by law;
- g. For mementos, personal gifts, or other tokens of appreciation given to Government employees on purely personal occasions or for purely personal reasons; and
- h. For the purchase of alcoholic beverages, unless the serving of such beverages is deemed to be a necessary part of an official entertainment or representation program, and if it is held in a Department occupied building, it must meet the requirements of subparagraph 5.053.o. of Department Administrative Order 206-5, "Occasional Use of Public Areas in Public Buildings."

## **SECTION 6. AUTHORIZATION OF EXPENDITURES.**

.01 Prior written approval is required for each use of gifts and bequests or other funds for official entertainment and representation. Form CD-464, "Request for Authorization for Official Entertainment" (Exhibit 1 to this Order), shall be used to request and record such approval. The request for approval shall be submitted to the primary operating unit's authorized official in sufficient time to determine whether the proposed expenditure is justified. Sufficient time under normal circumstances would be 10 days before the event. If expenses are incurred by an employee that have not been approved by an authorized official, the employee may be personally liable for payment of expenses incurred. For overseas official entertainment, State Department regulations as outlined in the Foreign Affairs Manual (FAM 1434.7) apply to the authorization of expenditures and appropriate documentation.

.02 All entertainment expenditures which exceed \$1,000 require the prior written approval of the Assistant Secretary (with the exception noted in subparagraph .03, below) at least two weeks in advance of the event. Requests for approval shall be sent to the Assistant Secretary on Form CD-464.

.03 If, in .02, above, the originally estimated cost is \$1,000 or less, approval remains at the operating unit level. If the actual cost is higher than the estimate and over the \$1,000 threshold, retroactive approval of the total amount must be requested from the Assistant Secretary. Likewise, if an event originally approved by the Assistant Secretary has an actual cost 10% or more higher than the original estimate, then post-approval by the Assistant Secretary is required. In both instances, the post-approval request shall include a justification for the increase.

.04 The Assistant Secretary may grant post-approval of entertainment expenditures if unusual circumstances make it impracticable or undesirable to submit Form CD-464 prior to the event. Such circumstances, for example, would include expenditures for a spontaneous, unplanned event, or an event requiring extreme confidentiality or security. Post-approval is also required, as noted in paragraph .03 above, if the dollar limitations are exceeded. All requests for post-approval must explain the unusual circumstances that prevented obtaining prior approval.

.05 Employees should not use personal funds to pay for entertainment expenses. Normal billing and payment channels or imprest fund procedures should be followed. There may be instances which require an employee to spend personal funds for a Government

purpose in anticipation of reimbursement from the Department. Such payments should be rare occurrences and shall be made only when there is a need to act without delay to protect or further legitimate Government interests and when normal procedures cannot be followed.

.06 Vendors' invoices for official entertainment and representation events shall be submitted directly to the bureau's finance and accounting office for certification and payment. Before certifying any invoice or voucher for payment, the authorized certifying officer will check each invoice to ensure that prohibited items are not charged, including those shown above (see paragraph 5.05 above). If an imprest fund is used, receipts shall be provided whenever possible. Where it is impractical to obtain receipts, the certifying officer will determine whether the employee's certification of the expenditures is sufficient or if further verification is needed (see Cash Management Policies and Procedures Handbook, Chapter 6).

.07 A list of officials authorized to approve Form CD-464 will be sent by each Secretarial Office and primary operating unit to:

- a. the Office of Financial Services, supported by National Institute of Standards and Technology (NIST), or to their appropriate supporting finance and accounting office; and
- b. to the Departmental Gifts and Bequests Manager.

#### **SECTION 7. ACCOUNTING RECORDS AND REPORTS.**

.01 Those primary operating units having funds available for entertainment and representation activities shall hold their supporting finance and accounting officers responsible for recording these transactions. The finance and accounting office shall maintain adequate systems of accounting and internal control in accordance with directives of the Department and the General Accounting Office.

.02 Each primary operating unit shall ensure that the Form CD-464 is attached to the purchase order when entertainment and representation expenses are paid by the Office of Financial Services, supported by NIST, or by their appropriate servicing office. For payments made through the imprest fund, Form CD-464 shall be attached to the vendors' invoices. Where the appropriation act specifically provides funds for official entertainment and representation, the expenses shall be charged to appropriated funds. Otherwise, the charge shall be to Gifts and Bequests Fund, Treasury symbol 13 x 8501, or to appropriate operating unit accounts for MECEA funds.

#### **SECTION 8. EFFECT ON OTHER ORDERS.**

This Order supersedes Department Administrative Order 203-10, dated January 13, 1986.

(signed) \_\_\_\_\_ Chief Financial Officer and Assistant  
Secretary for Administration

Office of Primary Interest

Office of Executive Budgeting and Assistance Management

For copies of Exhibits, please call (202) 482-7873.