



# Department of Veterans Affairs

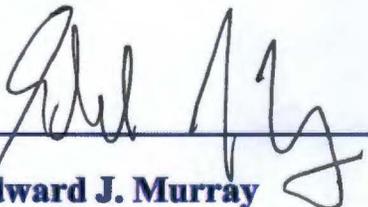
## Financial Policy

### Volume II

### Chapter 4

## **Awards, Ceremonies, Food or Refreshments, Gifts or Mementos**

**Approved:**



---

**Edward J. Murray**  
**Acting Assistant Secretary for Management**  
**And Acting Chief Financial Officer**

8-31-2017

**Date**

<b>0401 OVERVIEW</b> .....	<b>3</b>
<b>0402 REVISIONS</b> .....	<b>4</b>
<b>0403 DEFINITIONS</b> .....	<b>4</b>
<b>0404 ROLES AND RESPONSIBILITIES</b> .....	<b>7</b>
<b>0405 POLICIES</b> .....	<b>8</b>
040501 Awards.....	8
040502 Gifts and Mementos .....	11
040503 Coins.....	12
040504 Food or Refreshments.....	13
040505 Approval Requirements and Special Circumstances Authorizing Expenditures for Food or Refreshments .....	15
040506 Ceremonies.....	25
040507 Gala Events.....	27
<b>0406 AUTHORITIES AND REFERENCES</b> .....	<b>28</b>
<b>0407 RECISSIONS</b> .....	<b>32</b>
<b>0408 QUESTIONS</b> .....	<b>32</b>
<b>APPENDIX A: OGC WHITEPAPER ON COINS</b> .....	<b>33</b>
<b>APPENDIX B: OGC WHITEPAPER ON PURCHASING REFRESHMENTS WITH GOVERNMENT FUNDS</b> .....	<b>37</b>
<b>APPENDIX C: VA CHIEF OF STAFF MEMORANDUM, “PROMOTING EFFICIENT SPENDING: EXTRANEIOUS PROMOTIONAL ITEMS”, MARCH 19, 2012:</b> .....	<b>46</b>
<b>APPENDIX D: VA CHIEF OF STAFF MEMORANDUM, “SPENDING FOR FOOD OR REFRESHMENTS AND GIFTS OR MEMENTOS”, MAY 25, 2012</b> .....	<b>47</b>

**APPENDIX E: VA CHIEF OF STAFF MEMORANDUM, “DEPARTMENT OF VETERANS AFFAIRS CONFERENCE OVERSIGHT”, SEPTEMBER 26, 2012 ..... 49**

**APPENDIX F: VA SECRETARY MEMORANDUM FOR THE CHIEF OF STAFF, “DELEGATION OF AUTHORITY TO SIGN ON BEHALF OF THE SECRETARY”, APRIL 14, 2016 ..... 57**

**APPENDIX G: VCS POLICY DIRECTIVE 12-01, DATED AUGUST 29, 2012..... 58**

**APPENDIX H: VCS MEMORANDUM, “USE OF VCS PROMOTIONAL FUNDS”, SEPTEMBER 28, 2015 ..... 70**

## 0401 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) financial policies and procedures regarding the approval and appropriate use of VA funds for awards, award ceremonies, traditional ceremonies, events, gifts, mementos, coins, food, refreshments, and gala purchases. Approval requirements remain in effect regardless of the type of funds used (e.g., general appropriations, general post fund, revolving, franchise, supply fund, and trust).

Of particular note are the following items:

1. VA has authority to expend funds for awards and award ceremonies for the honorary recognition of employees and certain other groups of individuals working at VA.
2. VA may in limited circumstances expend funds for food or refreshments for certain activities or events when the cost of the food or refreshments is incidental or of no extra cost, and is necessary to achieve the objectives or enhance participation in a program, or employees are under extreme or emergency conditions.
3. Food for Award Ceremonies, Traditional Ceremonies, and Other Events should be approved by employees at the GS-15 or Title 38 equivalent level. Senior level SES approval is required should the total cost of food or refreshments and space rental exceed \$30 per person or an award ceremony exceed \$10,000 in total. Specific approval requirements are in section [040506 Ceremonies](#).
4. Food purchased without prior approval will be considered an unauthorized commitment and could be subject to pecuniary liability.
5. All requests for purchasing coins must be approved in advance by the VA Chief of Staff.

**0402 REVISIONS**

Section	Revision	Office	Reason for Change	Effective Date
Various	Reformatted to new policy format and completed 5 year review.	OFP (047G)	Reorganized chapter layout	August 2017
0403 Definitions	Updated Numerous Definitions throughout section	OFP (047G)	Enhance reader understanding	August 2017
0404 Roles and Responsibilities	Updated roles and responsibilities	OFP (047G)	Enhance reader understanding	August 2017
0405 Policies Section 040505	Edited paragraph 4 “Hosting a Conference” - added “food or refreshment purchases generally not allowed”	OFP (047G)	New Department of Justice opinion on 31 U.S.C. § 1345	August 2017
0406 Authorities and References	Added links to Authorities and References	OFP (047G)	All referenced materials were updated	August 2017
Appendix A-H	Revised	OFP (047G)	Moved information from old Appendix A and B into the policy to the policy section.  New appendices include whitepapers and other references.	August 2017

**0403 DEFINITIONS**

**Award** - A generic reference to the entire range of rewards available to recognize an employee under VA's Employee Recognition and Awards Program including monetary, non-monetary, honorary, and time-off awards.

**Award Ceremony** - A formal observance to recognize employees. The ceremony must include more than just the employees being recognized.

**Certificate** - A document of recognition for an honor; e.g., high performance certificate, certificate of participation in an [event]. A certificate does not have a cash value. For purposes of this chapter a gift certificate is not considered a certificate as it may have a cash value.

**Conference** - A meeting, retreat, seminar, symposium, or event that involves attendee travel. The term "conference" also applies to training activities that are considered to be conferences under [5 CFR §410.404](#). (Refer to [Volume XIV – Chapter 10, Conference Planning, Oversight, and Reporting](#)).

**Cultural Event** - An event to celebrate ethnic history to advance audience awareness of culture and offered as an educational experience. A cultural event is normally presented as part of an EEO program objective.

**De Minimis** - A concept which considers the value of the item lacking in significance or importance. The value of the item is small enough as to make accounting for it unreasonable or impractical. Items must not be used as a disguised form of compensation.

**Employee** - For purposes of the VA Employee Recognition and Awards Program, an employee is an individual who meets the definition as identified in [VA Handbook 5017/1, Employee Recognition and Awards](#), Part I-1, 2b and also must meet the following requirements: (1) engaged in the performance of a Federal function under authority of law or an Executive act; (2) subject to the supervision of an individual named by in Part I-1, 2b(1) while engaged in the performance of the duties of a position; and (3) currently performing at a fully successful level. For additional guidance, refer to VA [OGC Advisory Opinion, VAOPGCADV 6-99, Applicability of the Employee Recognition and Awards Program to Residents and to Fee Basis, Without Compensation and Purchase and Hire Employees \(April 5, 1999\)](#).<sup>1</sup> Performance requirements for Special

---

<sup>1</sup> The OGC Advisory Opinion held that certain Title 38 employees may be recognized under the VA Employee and Awards Program, to include residents appointed under 38 U.S.C., § 7406, WOC employees appointed under 38 U.S.C., SECTION 513, 7405, fee basis employees appointed under 38 U.S.C., § 7405 and purchase and hire employees appointed under 38 U.S.C. § 7405.

Advancements and awards for Exemplary Job Performance and Exemplary Job Achievement for Title 38 employees are contained in [VA Handbook 5017/5, Employee Recognition and Awards](#), Title 38 Special Advancements and Cash Awards.

**Fair Market Value (FMV)** - For this policy and tax purposes, FMV is the value or amount of a fringe benefit (non-monetary award) an employee would have to pay a third party in an arm's-length transaction to obtain the benefit.

**Food or Refreshments** - Examples of refreshments include coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, and muffins. Food may include a buffet luncheon or a meal.

**Fund** - A sum of money made available for a specific purpose, activities, or attaining certain objectives in accordance with special regulations, restrictions or limitations. The term “fund” is used throughout this chapter to identify any type of fund or appropriation used (e.g., general appropriations, general post fund, revolving, franchise, supply fund, and trust).

**Gala** - A festive celebration; often a public entertainment marking a special occasion.

**Honor Award** - Formal, non-monetary recognition for significant one-time or career achievements. For example, a Secretary or Organizational Honor Award, Length of Service Award, Retirement Certificate, or Career Award.

**Incentive Award** - A monetary or non-monetary award recognizing a contribution, special act, or service of an employee.

**Intrinsic Value** - The difference between the perceived value of an asset and its actual market value.

**Mementos** - Keepsakes or souvenirs designed to commemorate an event or occasion.

**Motivational Incentives** - Providing desirable items or experiences (i.e., “reinforcers”) for meeting goals. The use of positive reinforcement for the purpose of promoting behavioral change.

**Necessary Expenses** - The standard for measuring the propriety of an expenditure not specified in a statute is referred to as the Necessary Expense Test. Under this test, the expenditure is permissible if it is reasonably necessary in carrying out an authorized function, or will contribute materially to the effective accomplishment of that function and if it is not otherwise prohibited by law.

**Non-monetary Award** - Examples include plaques, medals, certificates, desk items (e.g., pens) and clothing items (e.g., T-shirts). Material items exceeding the de minimis value are also taxable.

**Post-Ceremony Event** - A reception or activity held after an official ceremony. For example, in the case of a building dedication, the ceremony is the actual act of breaking ground with the ceremonial shovel, laying of a cornerstone, or cutting of a ribbon. If there was a gathering afterwards it would be considered a Post-ceremony event.

**Promotional Items** - Mementos, gifts, keepsakes, reminders, prize items, swag, coins, and other VA “logo” or “message” items.

**Public Building or Works** - A public space, area or place that is open and accessible to all people, regardless of gender, race, ethnicity, age, or socio-economic level.

**Swag** - Merchandise such as coins, mugs, shirts, key chains, pens, hats, thermoses, and bags that typically display an agency’s name or seal. Swag items are commonly distributed to all employees or participants an event for the sole purpose of promoting or advertising the agency or organization. It is important to recognize the distinction between swag items and nonmonetary awards. Executive Order 13589 calls upon all agencies to reduce spending on “extraneous promotional items”—swag.

**Traditional Ceremonies** - Ceremonies held in observance of a special occasion. As related to this policy, it is specific to the construction, opening of, or the naming or re-naming of a public building or works. Specifically, it includes dedications, re-dedications, ground-breakings, or anniversaries.

- Ground-breaking or dedication ceremonies are appropriate for new and replacement facilities, which may include major additions to an existing facility or new satellite outpatient clinics.
- Re-dedication ceremonies are appropriate when a facility or a portion of a facility is re-named for an individual.
- Anniversaries are generally celebrated at 25-year intervals.

#### **0404 ROLES AND RESPONSIBILITIES**

**Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chief Accountants, and other key officials** are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

## 0405 POLICIES

### 040501 Awards

In accordance with the Government Employees' Incentive Awards Act (GEIAA), [5 C.F.R. § 451.104](#) and [VA Handbook 5017/1, Employee Recognition and Awards](#) VA may expend general operating appropriations to provide employee awards.

- A. VA may provide honorary recognition for employees and certain other groups of individuals working at VA to include fee basis, purchase and hire employees, and Without Compensation (WOC) employees. WOC employees are individuals who perform various research, training-related, and other duties without any direct monetary compensation from the VA. These types of appointments include, but are not limited to volunteers, fellows, residents, university employees, students or scientists, and minors over the age of 14 (who may work in non-hazardous areas). Awards may be given on the basis of:
- A suggestion, invention, superior accomplishment, productivity gain, or other personal effort that contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or
  - A special act or service in the public interest in connection with or related to official employment.
- B. Refer to [VA Directive and Handbook 5017, Employee Recognition and Awards](#) and [VA Office of Human Resources Management HR Library website](#) for guidance in the administration of employee recognition and awards programs and the various types of awards, nature of the awards, whether monetary or non-monetary, and the related approval process.
- C. A non-monetary award must be valued at under \$100 or it is considered taxable.
- D. All expenses incurred and related to the full cost for the award(s) will come from the awards budget of the office whose employee(s) is being recognized. When the VA organization primarily benefiting from the employee's contribution is not the recipient's employing organization, funds may be transferred (i.e., an expenditure transfer) to the employing organization to cover the award amount. Related necessary expenses may be paid from funds available to the organization the employee is assigned or from funds available to the organization primarily benefiting from the employee contribution.

VA Financial Policy – Internal Use Only

E. VA will evaluate the impact of non-monetary awards and their taxability on the employee. Non-Monetary Awards Taxability:

- In accordance with [5 C.F.R. § 451.104\(c\)](#), “An award is subject to applicable tax rules, such as withholding.” However, per [IRS Publication 15-B, Employer’s Tax Guide to Fringe Benefits](#), there are two exclusions under fringe benefits specific to this rule: Achievement awards for length of service or safety and de minimis fringe benefit items.
- It is the responsibility of the award approving official to determine the fair market value (FMV) for tax purposes. The FMV may be the purchase price of the item, but the FMV will be determined based on all of the facts and circumstances.
- When the award is taxable, the approving official may choose and has the final decision, to “gross-up” taxable awards in order to cover the employee’s taxes on an award. When an award amount is “grossed-up” to cover the taxes, both the value of the award and the taxes must be included in the employee’s gross wages. The total award amount of the award including “grossed-up” cannot exceed the maximum amount allowable.
- The approving official will complete the certification on VA Form 4659, Incentive Awards Recommendation and Approval, which can be found on the [VA Forms Web site](#), indicating that the non-monetary award has a non-cash value less than \$100.
- Based on the information provided in each field, Payroll will record the action appropriately. The “SPECIAL USE” section must be completed and certified by the approving official.

F. Cash and cash equivalent awards (e.g., gift cards, gift certificates, and savings bonds) are always taxable and cannot be considered de minimis in value.

- Gift cards are allowable, as long as the Government purchase card is not used to buy them. The purchase card and convenience check will not be used for the procurement of gift cards except for “patient only” purchases from the General Post Fund, which directly benefits the Veteran. (Refer to [Volume XVI – Chapter 1, Government Purchase Card Program](#)).

G. Length of service or safety achievement awards may be excluded from the taxable wages of the employee(s) receiving the awards. (Refer to [IRS Publication 15-A](#),

[Employer's Supplemental Tax Guide](#) and [IRS Publication, 15-B Employer's Tax Guide to Fringe Benefits](#)). If the awards are part of an organization's award cap, they must be reported on VA Form 4659 and entered in the HR/Payroll system for proper tracking against the VA's award allocation.

- The length of service or safety achievement award must be tangible personal property and awarded as part of a meaningful presentation, and not disguised as compensation. Tangible personal property for this purpose cannot include any of the following: cash, gift cards, gift certificates, or savings bonds.
  - If the length of service or safety achievement awards are part of an organization's award cap, they must be reported on VA Form 4659 and entered in the HR/Payroll system for proper tracking against the VA's award allocation.
  - The annual excludable tax amount for a length of service or safety achievement award is \$1,600 for a qualified plan or \$400 for a non-qualified plan. These amounts may vary from year to year. (Refer to [IRS Publication, 15-B Employer's Tax Guide to Fringe Benefits](#)).
    - a. Qualified plan awards are achievement awards under a written plan that does not discriminate in favor of highly compensated employees. Additional guidance for determining “highly compensated” employees may be found in [IRS Pub 535, Business Expenses](#). This amount may vary from year to year.
    - b. An award cannot be treated as a qualified plan award if the average cost per recipient of all awards under all of the qualified plans is greater than \$400.
- H. Certain achievement awards and non-monetary awards may be non-taxable if they are of de minimis value. In determining whether the item is of de minimis benefit, the value of the item and the frequency with which it is given will be considered.
- The item will be occasional or unusual in frequency and the value is so small that accounting for the item is unreasonable or impractical. The frequency to consider refers to the frequency for which similar items are provided by VA to the employees.
  - The maximum value will not exceed \$100 when considering the de minimis value (This limitation will not apply to without compensation employees, i.e. volunteers since IRS Publication 535 only applies to compensated employees). Based on [IRS Chief Counsel Advice 200108042, Dec 20, 2000](#) ruling that items with a

value exceeding \$100 would not be considered de minimis, even in unusual circumstances. (Refer to [IRS De Minimis Fringe Benefits](#)).

**040502 Gifts and Mementos**

- A. VA may expend funds for gifts and mementos as determined appropriate under statutory authorities or the “Necessary Expense” rule as established by the U.S. Government Accountability Office (GAO) Comptroller General decisions and in accordance with the type of funds used to pay for the expenses. The “Necessary Expense” rule may be applied when expenditures are neither expressly authorized nor prohibited, but may be permissible only if reasonably necessary or incident to the proper execution of an authorized purpose or function of VA. Gifts and mementos should be of little intrinsic value and low cost to the agency. See GAO's [Principles of Federal Appropriations Law, 4-19](#), for additional information.
- B. Veterans Health Administration (VHA) Statutory Authority - Under [38 U.S.C. § 7423 \(f\)](#), VHA may purchase promotional items of nominal value for use in recruiting certain classes of positions that are covered under [38 U.S.C. chapter 74](#). These positions are considered mission-critical based on the need to interest qualified applicants, given current and anticipated job market conditions.
- C. Gifts and mementos may display a recruitment slogan or other specific message as space permits.
- D. VHA Motivational Incentives - Under the “Necessary Expense” rule, VHA established a national policy that permits the purchase of incentive items to encourage target behaviors for patients to keep their appointments and continue treatment. See [VHA Handbook 1160.04, VHA Programs For Veterans With Substance Use Disorders \(SUD\)](#).
- E. Gifts and Mementos to Members of the Public - Inexpensive gifts and mementos that promote further understanding of a VA program or mission may be distributed to members of the public as a recruitment tool, or to conduct outreach and inform the public about agency programs. For example, it is permissible to distribute informational and educational items such as, notepads, pens, matchbooks, and jar grip openers inscribed with VA contact information that direct Veterans to services.
- F. VA may not purchase gifts or mementos to provide at a traditional ceremony or post-ceremony unless expressly allowed in a legal authority, such as an appropriations act or other statute.

- G. The Chief of Staff issued several memoranda in 2012 (see excerpts below and referenced memoranda in section [0406 AUTHORITIES AND REFERENCES](#) and in chapter Appendices) that addressed purchases of promotional items “Swag”:
- [May 25, 2012 Chief of Staff Memo, “Spending for Food or Refreshments and Gifts or Mementos”](#): “5. Chapter 4 also addresses the appropriateness of gifts or mementos for employees. My memorandum of March 19, 2012, prohibits expending funds for promotional items intended for distribution to employees. Promotional items are defined as mementos, gifts, reminders, and keepsakes. Non-monetary awards presented in compliance with VA Directive and Handbook 5017, Employee Recognition and Awards, are still permitted.”
  - [September 26, 2012 Chief of Staff Memo, “Department of Veterans Affairs \(VA\) Conference Oversight”](#) “Department of Veterans Affairs Hosted or Co-Hosted Conference Request Guidance,” it was stated that “it is not permissible to purchase promotional items, such as mementos, gifts, keepsakes, prize items, and other VA “logo” or “message” items, for distribution to VA and other federal employees.
- H. Secretary’s Reception and Representation Expenses - The Office of General Counsel (or the Comptroller General) has opined that the Secretary’s Reception Allowance is available for distributing gifts or mementos to members of the Congress and state legislatures, Veterans service organizations, business organizations, other individuals concerned with Veterans’ affairs, and to VA and other Federal employees whose activities have significantly contributed to the VA’s mission. (Refer to section [040504 Food or Refreshments](#) for further information and also [section 040505 - Secretary’s Reception and Representation Expenses](#)).

### **040503 Coins**

- A. Coins are “Swag”- [President’s Executive Order 13589, Promoting Efficient Spending](#) states that Agencies should limit the purchase of promotional items in particular where they are not cost-effective. It is not a complete ban on “Swag”, but it is a limitation.
- B. VA Staff offices/Administrations may purchase coins, if approved in advance by the VA Chief of Staff, to give to VA employees as non-monetary incentive awards. This is acceptable only when used as part of the VA incentive awards program and the administrative procedures set forth in VA Handbook 5017. A non-monetary award to an employee must cost less than \$100 or it is considered taxable.

- C. VA Staff offices/Administrations may purchase coins to distribute to Federal employees (Executive/Legislative/Judicial), Veterans, and other stakeholders (states and private sector), if approved in advance by the VA Chief of Staff.
- D. Personalization - Coins may not be engraved with an individual's name, with the exception of the Secretary. The name of the presenting official should not be engraved on the coins. The general prohibition against engraving names on coins was made because VA wanted to avoid obsolescence and allow the individual's successor to present unused coins.
- E. VA's Office of General Council issued the following guidance regarding the approval and purchase of coins. Regardless of the identity of the proposed recipients and purpose of the distribution, in light of the 2012 Chief of Staff memos and the President's Executive Order, any staff office or Administration must seek written approval from the VA Chief of Staff before purchasing coins. (Refer to [OGC Whitepaper on Coins](#) in Appendix A). The request to the VA Chief of Staff should identify:
- The mission-related purpose of the coins;
  - Potential recipients; and
  - Estimated cost - With respect to cost, note that there is no law or other legal authority that sets a fixed dollar limitation on these items or states "how much is too much." A good rule of thumb is that program officials should only spend an amount that they would feel comfortable explaining to an auditor or Congress (or seeing on the front page of a national newspaper).
- F. This approval will ensure that there is a sufficient paper trail in the event VA needs to satisfy auditors, Congress, and the news media (records regarding this type of purchase would have to be disclosed under FOIA).

#### **040504 Food or Refreshments**

- A. In general, the use of Government funds to purchase food or refreshments for either Government personnel or non-Government individuals, including VA beneficiaries and stakeholders, is not authorized; however, there are EXCEPTIONS to this prohibition outlined in section [040505 Special Circumstances Authorizing Expenditures for Food or Refreshments and Approval Requirements](#).

- The general rule is that appropriated funds are not available to pay subsistence or to provide food to Government employees at their official duty stations. Refer to [Use of Appropriated Funds to Purchase Light Refreshments at Conferences, B-288266 \(2003\)](#).
- The broader rule is that appropriated funds are not available for entertainment, including food for employees and non-employees, except under specific statutory authority. Refer to [The Administrator, Veterans Administration, 43 Comp. Gen. 305, B-152331\(1963\)](#).

B. The Comptroller General has held that appropriations are not available to serve coffee or other refreshments to either employees or private individuals at business meetings. Refer to [Anne M. Crugnale, Internal Revenue Service, B-163764 \(1968\)](#).

It is not permissible to purchase food or refreshments for the following types of meetings:

- Event planning;
- conferences;
- workgroups;
- task forces;
- Political (including those with elected officials); and
- Community partnership.

C. The Department of Justice Office of Legal Counsel has opined that 31 U.S.C. § 1345, "Expenses of meetings," bars Federal agencies, except as specifically provided by law, from purchasing meals and light refreshments for non-Federal participants at agency-sponsored conferences. See [Memorandum for the General Counsel, Environmental Protection Agency, Use of Appropriated Funds to Provide Light Refreshments to Non-Federal Participants at EPA Conferences, OLC Opinion, Apr. 5, 2007](#).<sup>2</sup>

---

<sup>2</sup> Note, however, that VA could cover the subsistence costs of a non-Federal employee on invitational travel, i.e., providing a direct service to VA under 5 U.S.C. § 5703, "Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay." In addition, VA could enter into a

## 040505 Special Circumstances Authorizing Expenditures for Food or Refreshments and Approval Requirements

- A. **Special Circumstances Authorizing Expenditures for Food or Refreshments** – VA may only expend funds for food or refreshments for certain activities or events in Special Circumstances when the cost of the food or refreshments is incidental or of no extra cost, and is necessary to achieve the objectives or enhance participation in a program; or employees are under extreme or emergency conditions. These Special Circumstances are outlined below. The criteria specified for each Special Circumstance must be met and receive prior approval to be considered an authorized expenditure for food or refreshments. (Refer to OGC Whitepaper on Purchasing Refreshments with Government Funds in Appendix B). If a contract is required or already involved, contact a contracting officer for your organization. When in doubt, contact the Office of Financial policy for clarification.
1. **Award Ceremonies** - Under the Government Employees' Incentive Awards Act (GEIAA), [5 C.F.R. § 451.104](#) and [VA Handbook 5017/1, Employee Recognition and Awards](#), VA may expend general operating appropriations to provide food or refreshments at award ceremonies if an authorized official determines that the food or refreshments would materially enhance the effectiveness of the award ceremony. A legitimate award ceremony must be in place before consideration may be given to the purchase of food or refreshments. Incentive award ceremonies are not to be “created” as an excuse to purchase food or refreshments. (Refer to section [040506 Ceremonies](#) for more information on dollar thresholds and approval requirements.)
  2. **Training/Training Events** - Under the Government Employees Training Act, [5 U.S.C. § 4109](#) and [39 Comp. Gen. § 119 \(1959\)](#) VA may provide food or refreshments if the agency determines that providing them is necessary to achieve the objectives and full benefits of the training program. Also refer to [Coast Guard – Coffee Break Refreshments at Training Exercise – Non-Federal Personnel, B-247966 \(1993\)](#) and [Pension Benefit Guar. Corp. – Provision of Food to Employees, B-270199 \(1996\)](#). The “training session” must be more than a “working session” or meeting to discuss routine agency business.

---

no-cost contract with a conference planner that provides refreshments to all conference attendees at no cost to VA.

VA Financial Policy – Internal Use Only

- Under [5 U.S.C. § 4101\(4\)](#) "training" is defined as the process of providing for and making available to an employee, and placing or enrolling the employee, in a planned, prepared, and coordinated program, course, curriculum, subject system, or routine of instruction or education, in a scientific, professional, technical, mechanical, trade, clerical, fiscal, administrative, or other field which will improve individual and organizational performance and assist in achieving the agency's mission and goals.
- The training exception requires that the event be genuine "training" rather than merely a meeting or conference. The GAO and other auditors will not merely defer to an agency's characterization of a meeting as "training." Instead, they will closely scrutinize the event to ensure it was a valid program of instruction as opposed to an internal business meeting. Refer to [Corps of Engineers - Use of Appropriated Funds to Pay for Meals, B-249795, 72 Comp. Gen. 178 \(1993\)](#).
- Refer to [VA Financial Policy, Volume XIV, Chapter 7, Local Travel](#) for approval requirements to provide food or refreshments at training events when participants are within the local travel area. The VA sponsor of training at which one or more meals will be provided, should remind travelers that they must prorate their per diem so that they do not claim reimbursement for the meal(s) provided.
- VA may furnish meals to guest speakers who are Government employees as a necessary expense of conducting training. See [Matter of: Ruth J. Ruby- Claim for Luncheon Cost at Training Conference, B-219177, 65 Comp. Gen. 143 \(1985\)](#) and [To Sally N. Cross, Department of Agriculture, B-165235, 48 Comp. Gen. 185 \(1968\)](#). In both of the cited cases, the guest speakers made presentations to the trainees during lunch or dinner sessions. Thus, the speakers' participation in the meals was a necessary incident to providing the training.
- The determination of whether the meals are necessary for effective training should be made by program management at a level higher than that sponsoring the training. If the VA Secretary is sponsoring the training, the VA Chief of Staff may make the determination that meals are necessary for effective training. (Refer to [VA Secretary Memorandum for the Chief of Staff, "Delegation of Authority to Sign on Behalf of the Secretary", April 14, 2016](#) in Appendix F). The referenced Delegation of Authority Memorandum supports this designation and is also consistent with other VA policy guidance.

3. **Cultural Events** - VA may use funds to purchase food or refreshments at cultural awareness events if: (1) the food is part of a formal program intended to advance EEO objectives and enhance the audience awareness of the cultural or ethnic history being celebrated; and (2) the food is a sample of the food of the culture and is being offered as part of the larger program to serve an educational function. Refer to [Matter of: U.S. Army Corps of Engineers, North Atlantic Division -- Food for a Cultural Awareness Program, B-301184 \(2004\)](#).
  - This exception is limited to cultural or ethnic heritage awareness events. It is not acceptable for VA to serve food or refreshments to employees with disabilities attending a "National Employ the Handicapped Week" luncheon because "unlike ethnic and cultural minorities, handicapped persons do not possess a common cultural heritage." Refer to [Matter of: Army-Food served at luncheon honoring handicapped employees, B-219265, 64 Comp. Gen. 802 \(1985\)](#).
4. **All-Inclusive Rental Fee for a VA Meeting Held at an Outside Facility** - VA may use funds to pay for food or refreshments at a routine agency meeting (to discuss day-to-day operations) when the meeting is held at a location other than a VA facility and the space rental includes the food or refreshments at no extra charge. Refer to [In the Matter of Nuclear Regulatory Commission \(NRC\) -- Payment of a Non-Negotiable, Non-Separable Facility Rental Fee that Covered the Cost of Food Served at NRC Workshops, B-281063 \(1999\)](#). The following criteria will be applied:
  - The meeting will not be scheduled at an outside facility simply to provide food or refreshments.
  - The rental fee will not be negotiated with the prerequisite that food be furnished and then be computed into the overall cost to appear it is being offered at no extra charge.
  - In accordance with [5 U.S.C. § 5707](#), a determination should be made to ensure all expenditures result in the greatest advantage to the Government.
5. **Conferences** - Light refreshments and meals may only be provided when all attendees are in a travel status, unless specifically authorized for local attendees under the Government Employees Training Act (GETA) ([5 U.S.C. § 4109](#)). Refer to [Volume XIV – Chapter 7, Local Travel](#) for approval requirements when providing refreshments or meals to attendees in their local area and for guidance

on reimbursement for the cost of an occasional meal while attending a meeting in the local area.

6. **Focus Groups** - VA may use funds to pay for incentives in the form of refreshments and or light meals to increase participation in and the effectiveness of focus groups to evaluate VA programs, if the office conducting the evaluation makes an administrative determination that providing such incentives encourages participation in and improves the quality of information gleaned from focus groups. GAO has cautioned that such incentives should be used strictly for non-employee focus groups and not for internal employee meetings or focus groups. Refer to [Veterans Benefits Administration - Refreshments for Focus Groups, B-304718 \(2005\)](#).
7. **Employees under Extreme or Emergency Conditions** - When conditions are of such an extreme and unusual nature as to prevent employees from leaving an office, and the office must be staffed on a 24-hour basis during an emergency involving danger to human life and Federal property, VA may use funds to provide food or refreshments to the affected employees. The requirement to remain on duty for a 24-hour period, standing alone, is not enough to meet this exception, nor is the requirement to remain on duty beyond regular working hours. Refer to [Matter of: To the Postmaster General, B-149717, 42 Comp. Gen. 149 \(1962\)](#). Inclement weather is also not enough to substantiate an exception. Refer to [Matter of: Sandra Bradshaw-Lodging and Meal Expenses at Headquarters, B-226403 \(1987\)](#); [Matter of: FBI Payment for the Refreshments during Organized Crime Investigation, B234813 \(1989\)](#); and [Matter of: Secret Service agents' meal expenses while on 24-hour-a-day protective duty, B-202104 \(1981\)](#).
8. **Charges for Meals at Meetings Sponsored by Nongovernment and Other Government Organizations** - For meetings sponsored by non-government organizations, the attendee will commonly be charged a fee, usually but not necessarily, called a registration fee. If a single fee is charged covering both attendance and meals, and no separate charge is made for meals, the government may pay the full fee, assuming of course that funds are otherwise available for the cost of attendance, under the legal authority of [5 U.S.C. § 4110](#).
  - If a separate charge is made for meals, the government may pay for the meals if there is a showing that 1) the meals are incidental to the meeting; 2) attendance of the employee at the meals is necessary to full participation in the business of the conference; and 3) the employee is not free to take the meals elsewhere without being absent from essential formal discussions, lectures, or speeches concerning the purpose of the conference. Refer to

- [Letter to Walter W. Pleines, Social Security Administration, B-233807 \(1990\)](#). Absent such a showing, the government may not pay for the meals. Refer to [Mr. M. L. Collins, Authorized Certifying Officer, United States Department of Agriculture, B-154912 \(1964\)](#). These rules apply regardless of whether the conference takes place within the employees' duty station area or someplace else.
- Although [5 U.S.C. § 4110](#), which authorizes agencies to incur meeting attendance expenses generally applies only to meetings sponsored by non-governmental organizations, the Comptroller General has extended section 4110 to meetings sponsored by other government organizations, as long as the meeting satisfies the same conditions as required for non-government-sponsored meetings, and the government-sponsored meeting is not an internal business meeting. Refer to [Meals at Headquarters Incident to Attendance at Meeting, B-198471 \(1980\)](#).
9. **Volunteers Whose Tour Extends over Meal Period** - VA may purchase meals for volunteer workers when their scheduled assignment extends over a meal period, subject to an administrative determination that the furnishing of such meals is in the interest of the Government. Refer to [Administrator, Veterans Administration, B-145430 \(1961\)](#). [VHA Handbook 1620.01](#) provides that VHA may provide meals to volunteers if their scheduled assignment is at least four hours or the value of the service provided is commensurate with the value of the meal.
10. **Meals for Medical and Dental Residents** - Under [38 U.S.C. § 7406\(b\)](#), the Secretary has the authority to prescribe the conditions of employment, including the customary amount, and terms of pay and benefits for residents. Pursuant to this authority, VHA policy provides that facility directors may establish meal plans for non-career medical and dental residents under certain circumstances. Refer to [VHA Manual, M-1, Part I, Chapter 2, Subsistence, paragraph 2.29, Meals Furnished to Non-career Medical and Dental Residents \(House Staff\) Based on Locality Practices](#) for detail information. The manual may be accessed on the Nutrition and Food Services Related Directives and Handbooks Web site <http://vaww.nutrition.va.gov/>.
11. **Bottled Water** - VA may purchase bottled water for the personal use of employees at their official duty stations if there is no available potable (i.e., drinkable) water or for emergency preparedness purposes. For instance, it is permissible to purchase and stockpile bottled water for use by VA employees in preparation for an emergency which either cuts off the supply of potable water, or renders such water unsafe for human consumption. It is also permissible to

purchase and stockpile bottled water for use by VA patients or for equipment that requires water for its operation or proper sanitization, in preparation for an emergency which either cuts off the supply of potable water, or renders such water unsafe for human consumption.

12. **General Post Fund (GPF)** - [38 U.S.C. § 8301](#) permits GPF expenditures of specific donations which will enhance the Secretary's ability to provide services or benefits which may include food or refreshments and entertainment incurred for dedication ceremonies, re-dedication ceremonies, groundbreakings, and building anniversaries.
- A specific donation to the GPF is any gift, bequest, devise, or donation received by a VA official that the donor has specified be used for the exclusive benefit of patients or members at one VA facility, or for which the donor designated a specific use for the donation.
  - Unrestricted donated funds may be used for food, refreshments, and entertainment incurred for dedication ceremonies, re-dedication ceremonies, ground breakings, and building anniversaries only if approved by the Under Secretary for Health. An unrestricted donation to the GPF is any remittance tendered to an official of a VA facility with no restrictions or designated uses placed on the donation by the donor.
  - [38 U.S.C. § 8301](#) also permits unrestricted GPF money to be used to purchase food or refreshments at ceremonies, receptions, and similar activities that benefit patients or members. "Members" are individuals in VA care other than medical center inpatients, such as Veterans in domiciliaries, nursing homes, etc. Except for the following four activities, only the Secretary of Veterans Affairs or the Under Secretary for Health may approve the use of unrestricted funds to purchase food or refreshments for activities that do not involve the direct participation of patients or members:
    1. Recognition ceremonies for VA Voluntary Service volunteers, refer to [B-152331 \(1975\)](#);
    2. VA-Very Special Arts Program receptions and festivals;
    3. Receptions at the VA National Veterans Recreation Therapy Events; and
    4. The Under Secretary for Health has delegated authority to medical center directors no lower than GS-15 or Title 38 equivalent employee to approve

the use of unrestricted GPF funds to pay for food or refreshments including bottled water at Stand Downs and Welcome Home Events.

- a. Medical center directors may also accept monies to pay for in-kind donations of food or refreshments to support these events.
  - b. If, under this delegation, food or refreshments are provided at one of these events, the medical center director may also approve the provision of food or refreshments to VA employees who are assigned to participate. Any approvals under this delegation will be in writing and signed by the director. Health care facility directors can delegate this authority to no lower than GS-15 or Title 38 equivalent employee.
- VHA officials who may accept gifts, may also accept (and permit the use of) a specific donation for food or refreshments if VA has authority to provide the food or refreshments. For example, VA has authority to provide food or refreshments at a ceremony honoring employees under the Government Employees Incentive Awards Act. Thus, VA may accept and use a donation that the donor directed be used to pay for food or refreshments at this ceremony.
  - GPF funds may be used for expenditures that directly benefit patients or members while they are receiving care, e.g., coffee carts in waiting rooms and meal tickets for patients to use after having lab work that required fasting, local National Salute, and Veterans Day activities.

13. **Medical Treatment** - VA may purchase food or refreshments when they are part of the provision of medical treatment to VA beneficiaries under [38 U.S.C. § 7301\(b\)](#), e.g., inpatient meals, therapy involving food preparation, and food or refreshments for blood donors.

14. **Medical Research** - VA may purchase refreshments when they are part of the conduct of medical research under [38 U.S.C. § 7303](#).

15. **Secretary's Reception and Representation Expenses** - Congress traditionally provides \$25,000 in the Department's General Administration appropriation for "official reception and representation expenses," customarily referred to as the Secretary's Reception Allowance. This allowance is available to cover entertainment costs when the Secretary, Deputy Secretary, or other authorized high-level VA official is engaged in official reception or representation duties on behalf of the Department. Generally, the Reception Allowance may fund expenses incurred in connection with official agency events, typically

characterized by a mixed ceremonial, social, and or business purpose, and hosted in a formal sense by high-level agency officials and relating to a function of the agency. (Refer to section [040502 Gifts and Mementos](#) for additional information regarding acceptable expenses under this allowance and also section [040506 Ceremonies – Traditional Ceremonies](#))

- a. Examples of Acceptable Food or Refreshment Expenses - The Office of General Counsel (or the Comptroller General) has opined that the Secretary's Reception Allowance is available for the following:
- Providing meals or refreshments to visiting Members of Congress, representatives of Veterans service organizations, and White House staff and other individuals to discuss VA programs and benefits;
  - Paying for the Secretary's meals when invited to functions as the representative of VA;
  - Paying for a business luncheon in the context of the performance of official duties, hosted by the Secretary;
  - Paying for a holiday reception hosted by the Secretary for VA employees; and
  - Paying for receptions following swearing in of VA officials.
- b. The Secretary has a wide measure of discretion in using his reception and representation funds, but such discretion is not unlimited. The allowance may not generally be used for business meetings with Federal employees, since such meetings do not qualify as official receptions. Furthermore, the allowance may not be used to pay for food or meals for employees working beyond working hours at their duty station. The more a meeting qualifies as an "official agency reception or representation event," the more likely the associated expenses may be funded from the Reception Allowance.

One indicator of an official reception would be the presence of the Secretary, the highest-ranking Departmental official, or the Secretary's designee. This alone does not in and of itself qualify food or refreshments at an event as an appropriate Reception Allowance expense. If other indicators are present, e.g., an official reception program, ceremonial remarks of appreciation and recognition made by the Secretary or his designee at an appropriate point at

the event, and serious VA business underlying the event, the Reception Allowance could be used to cover refreshments expenses.

16. **Pershing Hall Revolving Fund** - If there are excess funds after paying Pershing Hall operating expenses, the Secretary may spend up to \$100,000 per fiscal year from the Pershing Hall Revolving Fund, established by [section 403\(d\)\(6\)\(A\) of Public Law 102-86](#), for activities that he determines to be in keeping with the VA mission. On occasion, the Secretary has used the Pershing Hall Revolving Fund to supplement the Reception Allowance since it qualifies as an activity within the VA mission. If the Secretary makes the requisite determination, and there are funds remaining for the fiscal year, the Fund may be used to pay for the food or refreshments at an official VA reception and representation event in lieu of the Reception Allowance. The expenditure will be included in the annual Pershing Hall Revolving Fund expense report to Congress.
17. **Canteen Promotional Fund** - The Veterans Canteen Service (VCS) Promotional Fund may be used to support activities where the majority of beneficiaries are customers and or potential customers of VCS. These activities could include food or refreshments, catered events, drawings, and merchandise in accordance with [VCS Policy Directive 12-01, dated August 29, 2012](#) in Appendix G. Prohibited uses of Promotional Funds include raffles, medical center advertising, construction, recruiting, and activities that do not sufficiently promote the VCS or the majority of the attendees are not VCS customers. The policy states that the Director of the VCS may make available to VA entities money that will be used to advertise, promote sales, and build customer loyalty and support for VCS. Events sponsored by the VCS Promotional Fund must present a favorable impression of VCS so that customers will be more likely to patronize it in the future, and VCS will be identified as the “Sponsor” at the event. (Also refer to [VCS Memorandum, “Use of VCS Promotional Funds”, September 28, 2015](#) in Appendix H)

#### **B. Approval Requirements for Food or Refreshment Purchases:**

1. Food or refreshments must be directly related to the fund and contribute directly to the organization carrying out its mission, function, or program. In addition, food or refreshment requests, approvals, and purchases must meet the specific criteria and approval procedures outlined in this section and or the policy guidance for food or refreshment purchases regarding Ceremonies (refer to section [040506 Ceremonies](#)).

2. Approving Officials – Approving Officials must ensure requests meet all rules and regulations. Special care must be taken when considering approval of food or refreshments, and approving officials should be cognizant of the scrutiny given to Federally-funded conferences and events, and the need to avoid the perception of using taxpayer money for lavish or wasteful events.
  - Approvals may not be delegated to a level below a GS-15 or Title 38 equivalent employee. Documentation of the approval must be maintained with the order. Food purchased without prior approval will be considered an unauthorized commitment (refer to [VA Directive 7401.7 - Unauthorized Commitments and Ratification](#) for further information) and could be subject to pecuniary liability in accordance with [VA Handbook 5021/15, Part I, Appendix A](#). Refer to [VA Financial Policy Volume XVI – Chapter 1, Government Purchase Card](#), for specific procedures when purchasing food or refreshments with the Government purchase card.
3. Blanket Purchase Approval cannot be used for advance approval for food or refreshments for conferences and or incentive award ceremonies. Blanket approval may be used for approval of routine food and beverage purchases for volunteer meals, Nutrition and Food Service meals for patients, and food and beverage purchases using General Post Funds, not to exceed six months.
4. Requesting Officials – Requesting Officials will forward the obligation request with all supporting documentation to include the signature (written or electronic) of the Approving Official. The Requesting Official must ensure the following when determining what expenses are necessary and appropriate for the ceremony:
  - The attendance and invitation is broader than just those being recognized;
  - The perception of the ceremony or gifts or mementos is of nominal value; and
  - There is adherence to spending limits and number of invitees unless approval has been expressly requested per the policy.
5. The Chief of the Finance Activity will maintain the obligation request and all supporting documentation for reporting requirements and audit purposes.
6. Any requested expense considered legally questionable will be forwarded through the appropriate chain of command to the District Counsel or the Office of General Counsel for legal review prior to obligation and purchase.

**040506 Ceremonies**

VA may expend funds for necessary expenses for Award and Traditional Ceremonies as determined appropriate under statutory authorities or the “Necessary Expense” rule as established by the U.S. Government Accountability Office (GAO) Comptroller General Decisions in accordance with the type of funds used to pay for the expenses. See GAO's [Principles of Federal Appropriations Law, 4-19](#), for additional information and Comptroller General Decisions listed in section [0406 AUTHORITIES AND REFERENCES](#). The “Necessary Expense” rule may be applied when expenditures are neither expressly authorized nor prohibited, but may be permissible only if reasonably necessary or incident to the proper execution of an authorized purpose or function of VA.

A. **Award Ceremonies** - In accordance with [5 C.F.R. § 451.104](#), Comptroller General Decisions, and [VA Handbook 5017/1, Employee Recognition and Awards](#), VA has authority to expend funds for Award Ceremonies. The ceremony must be a special occasion that is distinct from normal day-to-day conduct of official business. (Refer to section [040505 – Award Ceremonies](#) and [Approval Requirements for Food or Refreshment Purchases](#)).

- Expenses - May include food or refreshments and rental of space, and travel and per diem expenses for the award recipient and or his or her guest when determined appropriate.
- Invited Guest(s) and Additional Member(s) - VA may expend funds to pay for the presence of a spouse, other family member(s), and or prominent person(s) when an authorized VA management official determines that their presence would materially enhance the award ceremony. The cost of the food or refreshments for the guest(s) may also be considered a necessary expense of the fund.
- Approval - The total cost for food or refreshments and space rental per person will be of a nominal value and will not exceed \$30 per person unless proper approval has been requested and received in advance of the award ceremony. Should an award ceremony exceed \$10,000 in total, it must also be approved in advance of the event. Request for approval must be submitted as follows:

Organization	Approving Official
Veterans Benefit Administration;	Respective Under Secretary

Organization	Approving Official
Veterans Health Administration; and National Cemetery Administration	
Board of Veterans' Appeals	Chairman of the Board of Veterans' Appeals
Staff Offices	Respective Assistant Secretary
Office of General Counsel	General Counsel
Other Organizations	Assistant Secretary for Management

- Promotion and Publicity of the Ceremony – VA may expend funds to pay for costs of promotion, publicity, and administration of an award ceremony at the discretion of the first GS-15 or Title 38 equivalent employee in the chain of command.
- Federal Executive Board Career Service Award Ceremony – VA may expend funds to pay the fee charged for the attendance of nominees, award recipients, and supervisors or managers attending a regional award ceremony and luncheon sponsored by a local Federal Executive Board. Prior approval for paying the expenses of an attendee will be necessary when the cost per person is greater than \$50 or the number of VA attendees is greater than 50.

**B. Traditional Ceremonies** - Traditional Ceremonies are ceremonies held in observance of a special occasion. As related to this policy, it is specific to the construction, opening of, or the naming or re-naming of a public building or works. Specifically, it includes dedications, re-dedications, ground-breakings, or anniversaries.

- Ground-breaking or dedication ceremonies are appropriate for new and replacement facilities, which may include major additions to an existing facility or new satellite outpatient clinics.
- Re-dedication ceremonies are appropriate when a facility or a portion of a facility is re-named for an individual.
- Anniversaries may generally be conducted at 25-year intervals.
- Ceremonies for office renovations and improvements, or the opening of a component part of a building are not considered traditional ceremonies, e.g., opening of a cafeteria. (Refer to [GAO Comp. Gen., B-250450 General Services Administration – Incurring Food and Entertainment Expenses at Grand Opening of Government Cafeteria, May 3, 1993](#))

- VA recognizes that traditional ceremonies for ground-breakings or dedications may exceed the normal ceiling of \$10,000 where an infrastructure does not exist, e.g. a new cemetery groundbreaking held in an area where there are no roads.
- VA may expend funds for swearing-in ceremonies for Presidential appointees who head Staff Offices, Administrations, the Secretary, and the Deputy Secretary. (Refer to section [040505 – Secretary’s Reception and Representation Expenses](#))
- Other expenses – Other expenses directly related to the ceremony and the construction or opening may be purchased. Expenses may include, but are not limited to printing of invitations or programs, flowers or centerpieces, chrome plating and engraving on a ceremonial shovel, transportation, and rental of platforms, carpets, tents, chairs, and public address systems.
- During Ceremony and Post-Ceremony Receptions:
  - a. VA will ensure the traditional ceremony and expenses are directly related to the dedication, re-dedication, groundbreaking, or anniversary ceremony, and not to post-ceremony receptions (which are personal expenses).
  - b. VA will ensure expenses for swearing-in ceremonies are directly related to the ceremony and not to post-ceremony receptions (which are personal expenses).
  - c. Funds may not be expended for food and refreshments served during the ceremony or at post-ceremony receptions unless recognized in section 040506 of this chapter.

#### **040507 Gala Events**

It is not permissible to use appropriations to pay for an awards gala ticket at a non-Federal event, e.g., an awards banquet sponsored by a professional association, news media entity, or local business group. Galas tend to be awards ceremonies that include light refreshments and or a meal. However, refer to section [040505 – Charges for Meals at Meetings Sponsored by Nongovernment and Other Government Organizations](#) which provides the criteria for which it may be permissible to pay for meals and attendance at meetings sponsored by non-government organizations.

## 0406 AUTHORITIES AND REFERENCES

[5 C.F.R. 451.104](#)

[5 U.S.C. Chapter 45, Government Organization and Employees, Incentive Awards](#)

[5 U.S.C. § 4101\(4\)](#)

[5 U.S.C. § 4109](#)

[5 U.S.C. § 4110](#)

[5 U.S.C. § 5707, Federal Travel Regulation §301-74.1](#)

[38 U.S.C. § 8301](#)

[39 Comp. Gen. 119 \(1959\)](#)

[41 C.F.R. § 301-74.21](#)

[Memorandum for the General Counsel, Environmental Protection Agency, Use of Appropriated Funds to <https://www.justice.gov/file/451186/download> Provide Light Refreshments to Non-Federal Participants at EPA Conferences, OLC Opinion, Apr. 5, 2007.](#)

[56 Comp. Gen. 81, B-186998, Appropriations - Availability - Invitations - Change of Command Ceremonies - Coast Guard, November 9, 1976](#)

[65 Comp. Gen. 738, B-223319, Refreshments at Awards Ceremony, July 21, 1986](#)

[69 Comp Gen 242, B-236816, U.S. Army School of the Americas, Appropriation Availability, Specific Restrictions, February 8, 1990](#)

[70 Comp. Gen. 16, B236040, Career Service Awards Program, October 9, 1990](#)

[72 Comp. Gen. 73, B-247686, EPA Purchase of Buttons and Magnets, December 30, 1992](#)

[Administrator, Veterans Administration, B-145430 \(1961\)](#)

[B-11884, Recorder of Deeds, District of Columbia – Expenses for Cornerstone](#)

VA Financial Policy – Internal Use Only

[Ceremony, August 26, 1940](#)

[B-152331 \(1975\)](#)

[B-158831, U.S. Department of the Interior, Bureau of Land Management - Payment of Vouchers, June 8, 1966](#)

[B-193769, Lava Rocks Distributed by National Park Service at Capulin Mountain National Monument, January 24, 1979](#)

[B-247563.4, Expenditures by the Department of Veterans Affairs Medical Center, Oklahoma City, Oklahoma \(II\), December 11, 1996](#)

[B-257488, Use of Appropriations for “No Red Tape” Buttons and Mementos, Item 2 Purchase of Coffee mugs and Pens under the GEIAA, November 6, 1995](#)

[B-257488, Use of Appropriations for “No Red Tape” Buttons and Mementos, November 6, 1995](#)

[B-270327, Defense Reutilization and Marketing Service Awards Ceremonies, March 12, 1997](#)

[B-288536, Bureau of Indian Affairs, Great Plains Regional Office, Incentive Awards Ceremony, November 19, 2001](#)

[Coast Guard – Coffee Break Refreshments at Training Exercise – Non-Federal Personnel, B-247966 \(1993\)](#)

[Corps of Engineers - Use of Appropriated Funds to Pay for Meals, B-249795, 72 Comp. Gen. 178 \(1993\)](#)

[GAO Comp. Gen., B-250450 General Services Administration – Incurring Food and Entertainment Expenses at Grand Opening of Government Cafeteria, May 3, 1993](#)

[GAO Principles of Federal Appropriations Law, 4-19](#)

[GAO Principles of Federal Appropriations Law, Third Edition, Volume 1, Chapter 4, Section C, Part 5a\(2\)](#)

[VA Nutrition and Food Services](#)

VA Financial Policy – Internal Use Only

[In the Matter of Nuclear Regulatory Commission \(NRC\) -- Payment of a Non-Negotiable, Non-Separable Facility Rental Fee that Covered the Cost of Food Served at NRC Workshops, B-281063 \(1999\)](#)

[Internal Revenue Service Publications 15-A Employer's Supplemental Tax Guide and 15-B Employer's Tax Guide to Fringe Benefits](#)

[IRS Chief Counsel Advice 200108042, Dec 20, 2000](#)

[IRS De Minimis Fringe Benefits](#)

[IRS Pub 535, Business Expenses](#)

[IRS Publications, 15-A Employer's Supplemental Tax Guide and 15-B Employer's Tax Guide to Fringe Benefits](#)

[Letter to Walter W. Pleines, Social Security Administration, B-233807 \(1990\)](#)  
[Matter of: FBI Payment for the Refreshments during Organized Crime Investigation, B234813 \(1989\)](#)

[Matter of: Army-Food served at luncheon honoring handicapped employees, B-219265, 64 Comp. Gen. 802 \(1985\)](#)

[Matter of: Ruth J. Ruby-Claim for Luncheon Cost at Training Conference, B-219177, 65 Comp. Gen. 143 \(1985\)](#)

[Matter of: Sandra Bradshaw-Lodging and Meal Expenses at Headquarters, B-226403 \(1987\)](#)

[Matter of: Secret Service agents' meal expenses while on 24-hour-a-day protective duty, B-202104 \(1981\)](#)

[Matter of: To the Postmaster General, B-149717, 42 Comp. Gen. 149 \(1962\)](#)

[Matter of: U.S. Army Corps of Engineers, North Atlantic Division -- Food for a Cultural Awareness Program, B-301184 \(2004\)](#)

[Meals at Headquarters Incident to Attendance at Meeting, B-198471 \(1980\)](#)  
[Mr. M. L. Collins, Authorized Certifying Officer, United States Department of Agriculture, B-154912 \(1964\)](#)

[Office of Financial Policy Publications Library](#)

VA Financial Policy – Internal Use Only

[OGC Advisory Opinion, VAOPGCADV 6-99, Applicability of the Employee Recognition and Awards Program to Residents and to Fee Basis, Without Compensation and Purchase and Hire Employees \(April 5, 1999\)](#)

[OGC Whitepaper on Coins \(see Appendix A\)](#)

[OGC Whitepaper on Purchasing Refreshments with Government Funds \(see Appendix B\)](#)

[Pension Benefit Guar. Corp. – Provision of Food to Employees, B-270199 \(1996\)](#)

[President’s Executive Order 13589, Promoting Efficient Spending  
Section 403\(d\)\(6\)\(A\) of Public Law 102-86](#)

[Section 403\(d\)\(6\)\(A\) of Public Law 102-86](#)

[To Sally N. Cross, Department of Agriculture, B-165235, 48 Comp. Gen. 185 \(1968\)](#)

[VA Chief of Staff Memorandum, “Promoting Efficient Spending: Extraneous Promotional Items”, March 19, 2012 \(see Appendix C\)](#)

[VA Chief of Staff Memorandum, “Spending for Food or Refreshments and Gifts or Mementos”, May 25, 2012 \(see Appendix D\)](#)

[VA Chief of Staff Memorandum, “Department of Veterans Affairs \(VA\) Conference Oversight”, September 26, 2012 \(see Appendix E\)](#)

[VA Secretary Memorandum for the Chief of Staff, “Delegation of Authority to Sign on Behalf of the Secretary”, April 14, 2016 \(see Appendix F\)](#)

[VA Directive and Handbook 5017, Employee Recognition and Awards, and VA Office of Human Resources Management website](#)

[VA Forms Web site](#)

[VA Handbook 5017/1, Employee Recognition and Awards](#)

[VA Handbook 5021/15, Part I, Appendix A](#)

[VCS Policy Directive 12-01, dated August 29, 2012 \(see Appendix G\)](#)

VA Financial Policy – Internal Use Only

[VCS Memorandum, “Use of VCS Promotional Funds”, September 28, 2015 \(see Appendix H\)](#)

[Veterans Benefits Administration - Refreshments for Focus Groups, B-304718 \(2005\)](#)

[VHA Handbook 1160.04, VHA Programs For Veterans With Substance Use Disorders \(SUD\)](#)

[VHA Handbook 1620.01, Voluntary Service Procedures, 10C2 - Voluntary Service Program](#)

[VHA Manual, M-1, Part I, Chapter 2, Subsistence, paragraph 2.29, Meals Furnished to Non-career Medical and Dental Residents \(House Staff\) Based on Locality Practices](#)

[VHA Manual, M-1, Part I, Chapter 2, Subsistence, paragraph 2.29, Meals Furnished to Non-career Medical and Dental Residents \(House Staff\) Based on Locality Practices](#)

[Volume XIV – Chapter 7, Local Travel](#)

[Volume XIV – Chapter 10, Conference Planning, Oversight, and Reporting](#)

[Volume XIV – Chapter 10, Conference Planning, Oversight, and Reporting White House Press Release](#)

## **0407 RECISSIONS**

Volume II – Chapter 4, Awards, Ceremonies, Food or Refreshments, Gifts or Mementos, April 2016 and all related Appendices

## **0408 QUESTIONS**

Questions concerning these financial policies and procedures should be directed as follows:

VHA	<a href="#">VHA CFO Accounting Policy (10A3A)</a> (Outlook)
VBA	<a href="#">VAVBAWAS/CO/OPERATIONS</a> (Outlook)
NCA	<a href="#">NCA Finance Group</a> (Outlook)
All Others	<a href="#">OFP Accounting Policy</a> (Outlook)

VA Financial Policy – Internal Use Only

## Appendix A: OGC Whitepaper on Coins

OGC fields inquiries on a regular basis from VA components who desire to purchase coins similar to military challenge coins as a “necessary expense” of carrying out the VA mission. Coins appear to have gained in popularity recently. In a 2011 article, the *Washington Post* observed that, “But in recent years, many outside the military have adopted the tradition [of challenge coins], turning a sacrosanct ritual, some say, into a form of military chic that is now part of the Washington power game. The coin craze extends into almost every nook of the federal government. The secretaries of education, transportation and agriculture have coins. So does the EPA administrator, and even the Department of Agriculture's Office of Information Technology.”

Q: May staff offices/Administrations purchase coins to give to employees as non-monetary awards?

A: Yes, VA may purchase coins for use as nonmonetary incentive awards for employees.

This is acceptable so long as they're used as part of the VA incentive awards program (VA Handbook 5017 administrative procedures must be followed) per Vol. II, Chapter 4 of VA Financial Policies and Procedures. A nonmonetary award to an employee must cost under \$100 under Vol. II, Chapter 4 or it is considered taxable to the employee.

Q: May staff offices/Administration purchase coins to distribute to Federal employees (Executive/Legislative/Judicial), Veterans, and other stakeholders (states and private sector)?

A: Qualified yes. The purchase of coins for such purposes must be approved by the VA Chief of Staff.

Coins are SWAG. Although the President's Efficient Spending Executive Order did not define "SWAG," a White House press release described it as follows:

“5) Stop Swag – or Government Promotional Handouts: The Executive Order directs agencies to stop wasting taxpayer money on non-essential items used for promotional purposes, such as clothing, mugs, and non-work related gadgets.

- For instance, several months ago the Department of the Treasury issued a directive to all of its bureaus to avoid purchasing any goods that could be considered frivolous or unnecessary, and to ensure that all purchases have a clear nexus with the Department's mission and operations.”

Section 7 of the President's Executive Order 13589, “Promoting Efficient Spending,” states, “Agencies should limit the purchase of promotional items (e.g., plaques, clothing, and commemorative items), in particular where they are not cost-effective.” It is not a complete ban on SWAG, but it is a limitation.

The Chief of Staff issued several memoranda in 2012 (see excerpts below) that addressed purchases of promotional items (SWAG), which make two key policies:

1. It is not permissible to purchase promotional items (mementos, gifts, keepsakes, reminders, prize items, VA “logo” or “message” items) for distribution to VA and other Federal employees.
2. It is permissible to purchase promotional items for Veterans, such as informational and educational materials that direct Veterans to services, as such items help ensure that Veterans have timely access to the benefits and services that they have earned.

Ambiguities with Respect to Proposed Recipients. Even though the Chief of Staff who signed those memos has left VA, the policies remain in effect. There is some ambiguity with respect to the CoS memos because they state that VA may not purchase gifts, mementos, etc. for VA and other Federal employees (and note that no exceptions were named for any Federal employees within the Executive, Legislative, or Judicial branches), but they don’t address the private sector or state government. On the other hand, they do mention one exception – Veterans – but don’t mention private sector or state government recipients as an exception. Thus, it is unclear whether the memos intended to prohibit the purchase of coins for outreach or other mission-related purposes to distribute to VSOs, state veterans organizations, Members of Congress, etc.

Ambiguity with Respect to Purpose of Purchasing Coins for Veterans. The Chief of Staff memos single out “promotional items for Veterans, such as informational and educational materials that direct Veterans to services, as such items help ensure that Veterans have timely access to the benefits and services that they have earned.” It is not clear whether a coin would be considered an informational or educational material directing Veterans to services, such as a coin given to a Veteran to thank the Veteran for his/her service or to recognize the Veteran for an achievement.

Recommended Procedure in Light of Ambiguities. Regardless of the identity of the proposed recipients and purpose of the distribution,<sup>1</sup> in light of the 2012 CoS memos and the President’s Executive Order, we recommend that any staff office or Administration seek written approval from the CoS before purchasing coins. The request to the CoS should identify the mission-related purpose of the coins, the potential recipients, and the estimated cost. This will ensure that there is a sufficient paper trail in the event VA needed to satisfy auditors, Congress, and the news media (records regarding this type of purchase would have to be disclosed under FOIA).

Cost. With respect to cost, note that there is no law or other legal authority that sets a fixed dollar limitation on these items or states “how much is too much.” A good rule of thumb is that program officials should only spend an amount that they would feel comfortable explaining to an auditor or Congress (or seeing on the front page of a national newspaper).

---

<sup>1</sup> With the exception of non-monetary awards under the Government Employees Incentive Awards Act

Personalization. Finally, note that the coins may not be engraved with an individual's name. The purchase of personalized coins would violate VA policy. Chapter 4 of Volume II of VA Financial Policies and Procedures states that, "The position or title of the presenting official may be engraved on the coins, but, with the exception of the Secretary, the name of the presenting official should not be engraved on the coins." The general prohibition against engraving names on coins was made because VA wanted to avoid obsolescence and allow the individual's successor use of unused coins.

The financial policy against personalization of coins has been in place since December 2010. It is possible that there may have been inadvertent violations of that policy since December 2010 by VA officials who were unaware of the policy prohibition. Those violations may have resulted in unused, obsolete stock.

Excerpts from the 2012 Memoranda from the Chief of Staff concerning mementos

1. March 19, 2012 Chief of Staff Memo, "Promoting Efficient Spending: Extraneous Promotional Items"

2. Effective immediately, no funds should be expended for promotional items intended for distribution to employees. Promotional items previously purchased and on-hand may be distributed until exhausted, but should not be replenished.

3. The Department may continue to purchase promotional items intended for Veterans, such as informational and educational materials that direct Veterans to services (the Veterans Crisis Line, benefit services counseling, etc.). These and related types of materials pertain to mission-critical functions and have a clear connection with the Department's mission of providing benefits and services to Veterans. Such items help ensure Veterans have timely access to the highest quality benefits and services that they have earned through their sacrifice and service to our Nation.

2. May 25, 2012 Chief of Staff Memo, "Spending for Food or Refreshments and Gifts or Mementos"

"5. Chapter 4 also addresses the appropriateness of gifts or mementos for employees. My memorandum of March 19, 2012, prohibits expending funds for promotional items intended for distribution to employees. Promotional items are defined as mementos, gifts, reminders, and keepsakes. Non-monetary awards presented in compliance with VA Directive and Handbook 5017, Employee Recognition and Awards, are still permitted."

3. September 26, 2012 Chief of Staff Memo, "Department of Veterans Affairs (VA) Conference Oversight"

**Department of Veterans Affairs Hosted or Co-Hosted Conference Request Guidance**

- It is not permissible to purchase promotional items, such as mementos, gifts, keepsakes, prize items, and other VA “logo” or “message” items, for distribution to VA and other federal employees.

## Appendix B: OGC Whitepaper on Purchasing Refreshments with Government Funds

### GENERAL RULE

In the absence of a specific exception, the use of Government funds to purchase refreshments for either Government personnel or non-Government individuals, including VA beneficiaries and stakeholders, is not authorized. The general rule is that appropriated funds are not available to pay subsistence or to provide free food to Government employees at their official duty stations. *In Matter of Use of Appropriated Funds to Purchase Light Refreshments at Conferences*, B-288266 (2003). The broader rule is that appropriated funds are not available for entertainment, including free food for employees and non-employees, except under specific statutory authority. *To the Administrator, Veterans Administration*, 43 Comp. Gen. 305 (1963).

**No Refreshments at Business Meetings.** Furthermore, the Comptroller General has held that appropriations are not available to serve coffee or other refreshments to either employees or private individuals at business meetings. *To Anne M. Crugnale, Internal Revenue Service*, B-164764 (1968). Accordingly, it is **not** permissible to purchase refreshments for the following: Meetings to plan events or conferences, meetings of VA political appointees to discuss VA business, workgroup or taskforce meetings, offsite “retreat” meetings (although per diem would be available if the attendees are on authorized travel), and meetings with community partners. Limited exceptions to this prohibition are discussed below.

**No Luncheons or Parties.** It is not permissible to use appropriated funds to purchase refreshments for luncheons and parties, e.g., a luncheon event hosted by community partners or stakeholders, a party to celebrate a holiday, retirement, or a facility reaching a milestone or goal, a reception held in conjunction with a traditional ceremony (including, but not limited to, dedications, rededications, groundbreakings, and anniversary ceremonies). Limited exceptions to this prohibition are discussed below.

**Common Business Practice or Courtesy is NOT Adequate Justification.** Note that “[r]eference to “common business practice” is not in itself an adequate justification for spending public money on food, or, for that matter, other objects. An expenditure of public funds must be anchored in existing law, not the practices and conventions of the private sector.” *In Matter of Use of Appropriated Funds to Purchase Light Refreshments at Conferences*, B-288266 (2003).

### EXCEPTIONS TO THE GENERAL RULE

There are a number of established exceptions to the general rule, and Comptroller General caselaw has recognized new exceptions in recent years. The following is a list of the most common exceptions at VA:

1. **Award Ceremonies under the Government Employees Incentives Awards Act, 5 U.S.C. §§ 4501-4506.** Under the Government Employees Incentive Awards Act, appropriated funds may be used to provide refreshments and/or food at award ceremonies. If an authorized official determines that refreshments and food would materially enhance the effectiveness of the awards ceremony, the cost of the refreshments or food may be considered a necessary expense and charged to the operating appropriation. The expenditure should be limited to an amount in

relation to the nature of the awards being presented and the number of people attending the ceremony.

Pursuant to VA Financial Policies and Procedures, Volume II, Chapter 4, such expenditures **will not exceed \$20 per person** AND the number of invitees **will not exceed 100 persons** without the prior approval of the applicable individual, as follows: for the staff offices headed by an Assistant Secretary, the Assistant Secretary; for the three Administrations, the Under Secretary; for the Office of General Counsel, the General Counsel; and, for the Board of Veterans' Appeals, the Chairman of the Board of Veterans' Appeals. Any organization not mentioned above must obtain the approval of the Assistant Secretary for Management. This approval authority will **not** be redelegated below the levels stated.

The authority of the Government Employees Incentives Awards Act is also applicable to regional awards ceremonies sponsored by local Federal Executive Boards. If a Federal Executive Board charges a fee for refreshments that it plans to serve in order to enhance an awards ceremony reception, VA may pay such fees in connection with the attendance of VA nominees, award recipients, and their supervisors or managers. See *Career Service Awards Program*, 70 Comp. Gen. 16 (1990).

2. **Training under the Government Employees Training Act, 5 U.S.C. § 4109.** The Government can provide meals and/or refreshments under this authority if the agency determines that providing the meals and/or refreshments is necessary to achieve the objectives of the training program. The "training session" must be more than a "working session" or meeting to discuss routine agency business -- "training" means the process of providing for and making available to an employee, and placing or enrolling the employee in, a planned, prepared, and coordinated program, course, curriculum, subject system, or routine of instruction or education, in scientific, professional, technical, mechanical, trade, clerical, fiscal, administrative, or other fields which will improve individual and organizational performance and assist in achieving the agency's mission and goals. 5 U.S.C. § 4101(4); *To the Secretary of Agriculture*, 39 Comp. Gen. 119 (1959).
  - (A) This generally requires a determination that attendance during the meals is necessary in order for the attendees to obtain the full benefit of the training. See, *Coast Guard – Coffee Break Refreshments at Training Exercise – Non-Federal Personnel*, B-247966 (1993). See also *Pension Benefit Guar. Corp. – Provision of Food to Employees*, B-270199, (1996) (food was not needed for employee to obtain the full benefit of training because it was provided during an ice-breaker rather than during actual training). The determination of whether the meals are necessary for effective training should be made by program management at a level higher than that sponsoring the training.
  - (B) The Training exception requires that the event be genuine "training," rather than merely a meeting or conference. The GAO and other auditors will not merely defer to an agency's characterization of a meeting as "training." Instead, they will closely scrutinize the event to ensure it was a valid program of instruction as opposed to an internal business meeting. See *Corps of Eng'rs – Use of Appropriated Funds to Pay for Meals*, B-249795, 72 Comp. Gen. 178 (1993) (determining that quarterly managers meetings of the Corps did not constitute "training"). This would, again, be a determination for program management at a level higher than that hosting the training.

[Note: The VA sponsor of training at which one or more meals will be provided should remind travelers that they must prorate their per diem so that they do not claim reimbursement for the meal(s) provided.]

3. **Routine Agency Meeting Held at Outside Facility Where There is an All- Inclusive Rental Fee.** If a routine agency meeting held to discuss the internal day- to-day operations of the Government is held at an outside facility and food is included, **at no extra charge**, in the fee for the conference space, the Government may pay the fee and the food may be provided to the employees. *In the Matter of Nuclear Regulatory Commission (NRC) -- Payment of a Non-Negotiable, Non- Separable Facility Rental Fee that Covered the Cost of Food Served at NRC Workshops*, B-281063 (1999).
4. **Light Refreshments at Agency Meeting Where All Attendees are in Travel Status.** GSA's Federal Travel Regulations provide that agencies sponsoring a conference, defined as a meeting, retreat, seminar, symposium or event that involves attendee travel, may provide light refreshments to agency employees in attendance. After the Comptroller General opined that GSA did not have the authority to authorize agencies to pay for light refreshments for those not in a travel status, GSA issued a written clarification that states that agencies are advised that providing light refreshments during conference breaks cannot be provided to individuals in a nontravel status at Government expense. Accordingly, if there are any local participants in an agency meeting, it is not permissible to purchase light refreshments. If all attendees are in travel status and light refreshments are furnished at nominal or no cost, no deduction of per diem is required. 41 C.F.R. § 301-74.21.
5. **Agency Hosting a Formal Conference.** Where an agency is hosting a "formal" conference (i.e., conference includes registration, published substantive agenda, scheduled speakers) and food is a legitimate conference expense (meaning (1) refreshments are incidental to the conference, (2) attendance when refreshments are served is important to ensure attendees' full participation in essential discussions, and (3) the meals and refreshments are part of a formal conference that includes not just the meals and refreshments and discussions, speeches, lectures, or other business that may take place when the meals and refreshments are served, but also includes substantial functions occurring separately from when the food is served) and the conference involves matters of topical interest to multiple agencies and/or nongovernmental participants, the agency may pay for food for all attendees. Thus, this exception does not apply to purely internal business meetings/conferences. *See In the Matter of National Institutes of Health – Food at Government-Sponsored Conferences*, B-300826 (2005).

However, the Comptroller General advises that agencies need an **agency-wide policy** in place regarding food at formal conferences in order to minimize abuse. At present, VA does NOT have a policy in place. Until such a policy is established, OGC has advised that the Secretary can approve expenditures for formal conferences and has recommended that the program office requesting the Secretary's approval cite the criteria set forth in the 2005 Comp. Gen. opinion.

6. **Charges for Meals at Meetings Sponsored by Nongovernment and Other Government Organizations.** For meetings sponsored by nongovernment organizations, the attendee will commonly be charged a fee, usually but not necessarily called a registration fee. If a single fee is charged covering both attendance and meals and no separate charge is made for meals, the government may pay the full fee, assuming of course that funds are otherwise available for the cost of attendance, under the legal authority of 5 U.S.C. § 4110.

If a separate charge is made for meals, the government may pay for the meals if there is a showing that (1) the meals are incidental to the meeting; (2) attendance of the employee at the meals is necessary to full participation in the business of the conference; and (3) the employee is not free to take the meals elsewhere without being absent from essential formal discussions, lectures, or speeches concerning the purpose of the conference. *Letter to Walter W. Pleines, Social Security Administration*, B-233807 (1990). Absent such a showing, the government may not pay for the meals. *To Mr. M. L. Collins, Authorized Certifying Officer, United States Department of Agriculture*, B-154912 (1964). These rules apply regardless of whether the conference takes place within the employees' duty station area or someplace else.

The Comptroller General has extended section 4110 applicability to meetings sponsored by other government organizations as long as the meeting satisfies the same conditions as required for nongovernment-sponsored meetings and the government-sponsored meeting is not an internal business meeting. See, e.g., *Meals at Headquarters Incident to Attendance at Meeting*, B-198471 (1980).

7. **Focus Groups.** It is permissible to use appropriated funds to pay for incentives in the form of refreshments or light meals to increase participation in and the effectiveness of focus groups to evaluate VA programs if the office conducting the evaluation makes an administrative determination that providing such incentives encourages participation in and improves the quality of information gleaned from focus groups. However, GAO has cautioned that such incentives should be used strictly for nonemployee focus groups (not for internal employee meetings or focus groups). *Veterans Benefits Administration--Refreshments for Focus Groups*, B- 304718 (2005).
8. **Cultural Events.** It is permissible to use appropriations to purchase refreshments at cultural awareness events if (1) the food is part of a formal program intended to advance EEO objectives and to make the audience aware of the cultural or ethnic history being celebrated and (2) the food is a sample of the food of the culture, and it is being offered as part of the larger program to serve an educational function. *Matter of: U.S. Army Corps of Engineers, North Atlantic Division -- Food for a Cultural Awareness Program*, B-301184 (2004).

This exception is limited to cultural or ethnic heritage awareness events. It is not acceptable for agencies to serve refreshments to employees with disabilities attending a "National Employ the Handicapped Week" luncheon because "[u]nlike ethnic and cultural minorities, handicapped persons do not possess a common cultural heritage." *Matter of: Army-Food served at luncheon honoring handicapped employees*, 64 Comp. Gen. 802 (1985).

9. **Guest Speakers.** The Government may furnish meals to guest speakers who are Government employees as a necessary expense of conducting training. See *Matter of: Ruth J. Ruby-Claim for Luncheon Cost at Training Conference*, 65 Comp. Gen. 143 (1985); *To Sally N. Cross, Department of Agriculture*, 48 Comp. Gen. 185 (1968). However, in both of the cited cases, the guest speakers made presentations to the trainees during lunch or dinner sessions. Thus, the speakers' participation in the meals was a necessary incident to providing the training.

10. **Working at Official Duty Station Under Extreme Conditions.** When conditions are of such an extreme and unusual nature as to prevent employees from leaving an office, and the office must be staffed on a 24-hour basis during an emergency involving danger to human life and Federal property, appropriations may be used to provide food to the affected employees. The requirement to

remain on duty for a 24-hour period, standing alone, is not enough, nor is the requirement to remain on duty beyond regular working hours.

*To the Postmaster General*, 42 Comp. Gen. 149 (1962). Inclement weather is not enough to support an exception. *Matter of: Sandra Bradshaw-Lodging and Meal Expenses at Headquarters*, B-226403 (1987).

- 11. Volunteers whose tour extends over meal period.** It is permissible to purchase meals for volunteer workers when their scheduled assignment extends over a meal period, subject to an administrative determination that the furnishing of such meals is in the interest of the Government. *To Administrator, Veterans Administration*, B-145430 (1961). VHA Handbook 1620.01 provides that VHA may provide meals to volunteers if their scheduled assignments are at least four hours and the value of the service provided is commensurate with the value of the meals. Meals may be provided to others at the discretion of the facility Director, if the facility Director determines that the individuals render a service which will benefit VA in discharging its responsibilities to patients.
- 12. Meals for Medical and Dental Residents.** Under 38 U.S.C. § 7406(b), the Secretary has the authority to prescribe the conditions of employment, including the customary amount and terms of pay and benefits, for residents. Pursuant to this authority, VHA policy provides that Facility Directors may establish meal plans for non-career medical and dental residents under certain circumstances. Please refer to VHA Manual, M-1, Part I, Chapter 2, Subsistence, paragraph 2.29, Meals Furnished to Non-career Medical and Dental Residents (House Staff) Based on Locality Practices for further information.<sup>1</sup>
- 13. Bottled Water.** VA may purchase bottled water for the personal use of employees at their official duty stations if there is no available potable (i.e., drinkable) water or for emergency preparedness purposes. For instance, it is permissible to purchase and stockpile bottled water for use by VA employees in preparation for an emergency which either cuts off the supply of potable water or renders such water unsafe for human consumption. It is also permissible to purchase and stockpile bottled water for use by VA patients or for equipment that requires water for its operation or proper sanitization, in preparation for an emergency which either cuts off the supply of potable water or renders such water unsafe for human consumption.
- 14. Medical Treatment.** VA may purchase refreshments when they are part of the provision of medical treatment to VA beneficiaries under 38 U.S.C. § 7301(b), e.g., inpatient meals, therapy involving food preparation, refreshments for blood donors or for patients who need food for medical reasons such as patients who feel faint after fasting before blood work.
- 15. Meals for Veterans Staying in Temporary Lodging.** VA may provide meals or vouchers for meals in the Veterans Canteen Service for veterans staying in temporary lodging. However, meals for family members staying in temporary lodging are to be at the expense of the family member, or provided through donated funds in the General Post Fund. See VHA Directive 2003-009, Temporary Lodging and Hotel Program.<sup>2</sup>

---

<sup>1</sup> Although this manual has expired, VHA Office of Academic Affiliations intends to renew it soon.

<sup>2</sup> Although this directive has expired, VHA continues to follow it.

**16. Medical Research.** VA may purchase refreshments when they are part of the conduct of medical research under 38 U.S.C. § 7303.

**17. General Post Fund (GPF).** VHA Handbook 4721 permits GPF expenditures of specific donations for food, refreshments, and entertainment incurred for dedication ceremonies, rededication ceremonies, groundbreaking, and building anniversaries (unrestricted donated funds may be used only if approved by the Under Secretary for Health). (A specific donation to the GPF is any gift, bequest, devise, or donation received by a VA official for which the donor has specified that the donation be used for the exclusive benefit of patients or members at one VA facility or for which the donor designated a specific use for the donation. An unrestricted donation to the GPF is any remittance tendered to an official of a VA facility with no restrictions or designated uses placed on the donation by the donor.)

VHA Handbook 4721 also permits unrestricted GPF money to be used to purchase food and/or refreshments at ceremonies, receptions, and similar activities that benefit patients or members. Except for the following four activities, only the Secretary of Veterans Affairs or the Under Secretary for Health may approve the use of unrestricted funds to purchase food and/or refreshments for activities that do not involve the direct participation of patients or members:

- (a) Recognition ceremonies for VAVS volunteers,
- (b) VA-Very Special Arts Program receptions and festivals, and
- (c) Receptions at the VA National Veterans Recreation Therapy Events.

(“Members” are individuals in VA care, other than medical center inpatients, such as veterans in domiciliaries, nursing homes, etc.) The fourth activity is covered in the paragraph immediately below.

The Under Secretary for Health has delegated authority to Medical Center Directors to approve the use of unrestricted General Post Funds to pay for food and refreshments including bottled water at Stand Downs and Welcome Home Events. Medical Center Directors may also accept monies to pay for in-kind donations of food and refreshments to support these events.

If, under this delegation, food and refreshments are provided at one of these events, the Medical Center Director may also approve the provision of food and refreshments to VA employees who are assigned to participate. Any approvals under this delegation must be in writing and signed by the Director. Health Care Facility Directors may not further redelegate this authority.

Finally, in addition to the above, VHA officials who can accept gifts may accept (and permit the use of) a specific donation for refreshments if VA has authority to provide the refreshments. For example, VA has authority to provide refreshments at a ceremony honoring employees under the Government Employees Incentive Awards Act. VA thus may accept and use a donation that the donor directed be used to pay for refreshments at this ceremony.

**18. Secretary’s Reception and Representation Expenses.** Congress has earmarked \$25,000 in the Department’s FY 2009 General Operating Expenses (GOE) appropriation for “official reception and representation expenses,” customarily referred to as the Secretary’s Reception

Allowance. This Allowance is available to cover entertainment costs when the Secretary, Deputy Secretary, or other authorized high-level VA official is engaged in official reception or representation duties on behalf of the Department. Generally, the Reception Allowance may fund expenses incurred in connection with official agency events, typically characterized by a mixed ceremonial, social and/or business purpose, and hosted in a formal sense by high level agency officials and relating to a function of the agency.

#### Examples of Acceptable Expenses

The Office of General Counsel (or the Comptroller General) has opined that the Secretary's Reception Allowance is available for the following:

- (a) providing meals or refreshments to visiting Members of Congress, representatives of Veterans Service Organizations, White House staff, and other individuals, to discuss VA programs and benefits;
- (b) paying for the Secretary's meals when invited to functions as the representative of VA;
- (c) paying for a business luncheon in the context of the performance of official duties, hosted by the Secretary;
- (d) paying for a holiday reception hosted by the Secretary for VA employees; and
- (e) distributing mementos to members of the Congress and State legislatures, to Veterans Service Organizations and business organizations, to other individuals concerned with veterans' affairs, and to VA and other Federal employees whose activities have significantly contributed to the VA's mission.

The Secretary has a wide measure of discretion in using his reception and representation funds, but such discretion is not unlimited. For example, the Allowance may not generally be used for business meetings with federal employees, since such meetings do not qualify as official receptions. Furthermore, the Allowance may not be used to pay for food or meals for employees working beyond working hours at their duty station. The more a meeting qualifies as an "official agency reception or representation event," the more likely the associated expenses can be funded from the Reception Allowance.

One indicator of an official reception would be the presence of the Secretary, the highest-ranking Departmental official, or his designation of another high-level official. This alone does not in and of itself qualify refreshments at an event as an appropriate Reception Allowance expense. If other indicators are present, e.g., an official reception program, ceremonial remarks of appreciation and recognition made by the Secretary or his designee at an appropriate point at the event, and a serious VA business underlying the event, the Reception Allowance could be used to cover refreshments expenses.

- 19. Pershing Hall Revolving Fund.** If there are excess funds after paying Pershing Hall operating expenses, the Secretary may spend up to \$100,000 per fiscal year from the Pershing Hall Revolving Fund, established by section 403(d)(6)(A) of Public Law 102-86, for activities that he determines to be in keeping with the VA mission. (On occasion, the Secretary has used the Pershing Hall Revolving Fund to supplement the Reception Allowance since it qualifies as an activity within the VA mission.) If the Secretary makes the requisite determination, and there are funds remaining for the fiscal year, that Fund could pay for the refreshments at an official VA reception and representation event in lieu of the Reception Allowance. The expenditure must be

included in the annual Pershing Hall Revolving Fund expense report to Congress.

**20. Canteen Promotional Fund.** The Veterans Canteen Service (VCS) has a promotional fund that can be used to pay for activities that will promote the Canteen Service. These activities could include refreshments. According to VCS Policy Directive 07-04, dated October 15, 2007, the Director, VCS, may make available to VA entities money that will be used to advertise, promote sales, and build customer loyalty and support for VCS. Events sponsored by the VCS Promotional Fund must present a favorable impression of VCS so that customers will be more likely to patronize it in the future, and VCS must be identified as the “Sponsor” at the event. Promotional Funds must be used for events where the majority of beneficiaries are customers and/or potential customers of VCS.

Please address questions to the “OGC Appropriations Specialty Panel” mailing list, which is available in Outlook.

Office of General Counsel Professional Staff  
Group IV November 2010

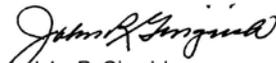
Appendix C: VA Chief of Staff Memorandum, “Promoting Efficient Spending:  
Extraneous Promotional Items”, March 19, 2012:

Department of  
Veterans Affairs

Memorandum

Date: March 19, 2012  
From: Chief of Staff (00A)  
Subj: Promoting Efficient Spending: Extraneous Promotional Items (VAIQ #7202906)  
To: Under Secretaries, Assistant Secretaries, and Other Key Officials

1. The Department of Veterans Affairs is committed to strong stewardship of Veterans' resources and meeting the requirements of the President's Executive Order 13589, *Promoting Efficient Spending*. Your organization recently provided plans for reduced spending consistent with the reduction targets provided for management support contracts, travel, printing, supplies and materials, and employee information technology devices (category applicable to the Office of Information and Technology only). The Executive Order also directs agencies to limit the purchase of promotional items (plaques, clothing, commemorative items, etc.) that might be considered extraneous and are not cost-effective.
2. Effective immediately, no funds should be expended for promotional items intended for distribution to employees. Promotional items previously purchased and on-hand may be distributed until exhausted, but should not be replenished.
3. The Department may continue to purchase promotional items intended for Veterans, such as informational and educational materials that direct Veterans to services (the Veterans Crisis Line, benefit services counseling, etc.). These and related types of materials pertain to mission-critical functions and have a clear connection with the Department's mission of providing benefits and services to Veterans. Such items help ensure Veterans have timely access to the highest quality benefits and services that they have earned through their sacrifice and service to our Nation.
4. Please disseminate this information to your staff. I appreciate your assistance with eliminating spending on extraneous promotional items.

  
John R. Gingrich

Appendix D: VA Chief of Staff Memorandum, “Spending for Food or Refreshments and Gifts or Mementos”, May 25, 2012

Department of  
Veterans Affairs

Memorandum

Date: MAY 25 2012  
From: Chief of Staff (00A)  
Subj: Spending for Food or Refreshments and Gifts or Mementos (VAIQ 7228530)  
To: Under Secretaries, Assistant Secretaries, and Other Key Officials

1. In light of the recent reports about the General Services Administration’s misuse of Government funds, I want to remind all Department of Veterans Affairs (VA) employees of the Department’s policies regarding the purchase of food or refreshments using Federal funds, as discussed in the Office of Financial Policy Volume II, Chapter 4. The policies and procedures in the chapter apply to all funds (e.g., general appropriations, general post fund, revolving, franchise, supply fund, trust) used to procure these items. The entire chapter can be viewed at <http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeIIChapter04.pdf>.

2. The general rule is that the use of Government funds to purchase food or refreshments for either Government personnel or non-Government individuals, including VA beneficiaries, is not authorized.

3. Chapter 4, Appendix A, *Food or Refreshment Purchases*, outlines the exceptions under which food or refreshments may be purchased. The exceptions have been reviewed by the VA Office of General Counsel, and the exceptions must be understood by those with approving authority.

4. When planning any type of meeting or conference where refreshments are being considered, planners should understand that Federal funds may not be used to purchase food or refreshments for Federal employees attending business meetings at their duty station (including “lockdown”-style meetings or “ice-breaker” receptions). If a conference qualifies as training under the Government Employees Training Act, it is permissible to purchase meals and/or refreshments for Federal attendees, but only if the conditions described at Chapter 4, Appendix A, *Food or Refreshment Purchases*, are present.

5. Chapter 4 also addresses the appropriateness of gifts or mementos for employees. My memorandum of March 19, 2012, prohibits expending funds for promotional items intended for distribution to employees. Promotional items are defined as mementos, gifts, reminders, and keepsakes. Non-monetary awards presented in compliance with VA Directive and Handbook 5017, *Employee Recognition and Awards*, are still permitted.

6. Employees responsible for organizing a conference, reception, meeting, or ceremony should consult with their chain of command and, if necessary, local Regional Counsel or the Office of General Counsel.

VA FORM 2105  
MAR 1989

Page 2.

Spending for Food or Refreshments and Gifts or Mementos

7. Care and due diligence must be exercised when determining whether food or refreshments and gifts or mementos may be allowed. We are the financial stewards of the funds entrusted to us. It is up to all VA employees to ensure that funds are expended appropriately and within the laws that govern them.

  
John R. Gingrich

Appendix E: VA Chief of Staff Memorandum, “Department of Veterans Affairs  
Conference Oversight”, September 26, 2012

## Memorandum

### Department of Veterans Affairs

Date: September 26, 2012  
From: Chief of Staff (00A)  
Subj: Department of Veterans Affairs (VA) Conference Oversight (VAIQ# 7280489)  
To: Under Secretaries, Assistant Secretaries, and Other Key Officials

1. This memorandum supersedes all memoranda previously issued by the Department of Veterans Affairs (VA) Chief of Staff concerning conference oversight, and provides updated guidance on the planning, review, approval, and execution requirements for conferences. See Attachment 1. The Department standard is clear: we will strictly adhere to statutes, regulations, policies, and procedures concerning conference planning, approvals, acquisitions, and execution. This standard requires robust oversight and management controls by our leaders as outlined in this memorandum and the attached documents. VA leaders and employees must continue to comply with Public Law 112-154, Section 707- Quarterly Reports To Congress on Conferences Sponsored By The Department, and OMB M-12-12, dated May 11, 2012 "Promoting Efficient Spending to Support Agency Operations." See Attachment 3.

2. The Secretary has directed two external, independent reviews: one focused on VA's training and another on conference policies, principles, and procedures. The review related to training will assess the adequacy of VA's current controls over training requirements determination and approach, trainee selection, effectiveness measures, and whether those policies, principles and procedures are implemented effectively and consistently throughout the Department. The review focused on conferences will examine the adequacy of VA's controls over conference planning and related acquisition processes and how those controls are implemented throughout the Department. Both reviews will examine our internal policies as well as look for best practices from other government agencies, as we seek to implement the Administration's guidance to reduce expenses. After the conclusion of the third party reviews of VA's conference planning execution and oversight policies and practices, a "Conference Planning, Execution and Oversight" directive and handbook will be published in third quarter of Fiscal Year 2013.

3. **Background:** Standards for determining when and how federal agencies execute conferences are evolving. OMB recently provided all federal agencies guidance that sets a standard with regard to the need for collocation of employees during meetings and conferences. Specifically, OMB states that, "agencies must confirm that physical collocation of Federal employees in a conference setting is a necessary and cost-

1 | Page  
9/26/2012

Department of Veterans Affairs Conference (VA) Oversight (VAIQ# 7280489)

effective means to carry out the agency's mission." OMB guidance further states that "agencies should begin their reviews by presuming that physical collocation as part of a conference is not required in the majority of cases." OMB indicates their expectation that professional development needed to keep skills current for human resources, accounting, procurement, or other government professionals be done by VTC, webinars, or other electronic means. VA recognizes electronic means are useful tools, but also that not all clinical training and professional development can be accomplished through these mediums.

OMB also requires that agencies ensure that appropriate policies and controls are in place to limit food, beverage, or other refreshment costs at conferences sponsored or hosted by the agency, as well as lodging costs for employees attending conferences and fees paid to subject-matter experts to speak at conferences. They also remind us that agencies should look to host or sponsor conferences in space controlled by the Federal Government where possible in order to reduce costs. OMB also emphasizes entertainment-related expenses are expressly prohibited, including paying for motivational speakers, as contrasted to speakers with specific subject-matter expertise in the topic of the conference. OMB also specifically mentions that promotional items are an unallowable expense. *(Danny Werfel, Aug 31, 2012, Controller Alert - Federal Conferences and Real Property Data Quality)*

4. **Definitions:** The Department of Veterans Affairs (VA) will adhere to the definition of "conference" included in OMB Memorandum (M-12-12), which uses "conference" as defined in the Federal Travel Regulation (FTR): "[a] meeting, retreat, seminar, symposium or event that involves attendee travel. The term "conference" also applies to training activities that are considered to be conferences under 5 CFR 410.404." Therefore, conferences covered by these guidelines include all conferences, training sessions, meetings, Advisory Committee meetings, rehabilitative sporting events, or similar events where travel is involved that are VA hosted or co-hosted, or other Federal or non-Federal entities host, without regard to number of attendees or dollar value. In addition to activities included in the definitions above, activities such as Federal Executive Institute; senior leader courses; administrative board hearings, e.g., Board of Veterans' Appeals hearings; and award ceremonies will be treated as conferences. While we recognize that an administrative board hearing, for example, may not meet the threshold levels for approval, the entity hosting the activity is responsible for the same degree of scrutiny and oversight as with any conference or training event hosted by VA. All thresholds referenced in this memorandum are inclusive of travel and non-travel costs.

5. **Approval Authorities:** Approval authorities, which shall not be re-delegated, for conducting conferences which VA-hosts or co-hosts, or other Federal or non-Federal entities host are as follows(See Attachment 2):

- a. where the projected costs to VA are in excess of \$500,000, conferences are generally prohibited. Any waivers of this restriction must be approved by the

2 | Page  
9 / 2 6 / 2 0 1 2

Department of Veterans Affairs Conference (VA) Oversight (VAIQ# 7280489)

- Secretary. (See Attachment 6). Requests for a waiver will be reviewed by the Deputy Secretary and the Chief of Staff who will make recommendations to the Secretary no later than 60 days prior to the event;
- b. where the projected costs to VA are in excess of \$100,000 but less than \$500,000, the Deputy Secretary and the Chief of Staff will continue to review. (See Attachment 5). The Deputy Secretary will approve proposals no later than 60 days prior to the event;
  - c. where the projected costs to VA are at least \$20,000 but less than \$100,000, the conference must be approved by the Under Secretary, Assistant Secretary or equivalent of the organization proposing to conduct the conference no later than 60 days prior to the event; and
  - d. where the projected costs to VA are less than \$20,000, the conference may be approved in accordance with the sponsoring Administration or Staff Office's established approval process no later than 30 days prior to the event. The Administration or Staff Office is responsible for ensuring that the approving authority is a Senior Executive or SES-equivalent. Administrations and Staff Offices will ensure that the same appropriate guidelines, statutes, policies, and regulations are followed for the review and approval process for a conference costing the VA less than \$20,000 or having less than 50 attendees.
  - e. For a graphical depiction of budgetary thresholds, please see Attachment 3.
  - f. Approval is required when exhibiting (display booths, recruitment fairs, etc.) or participating at conferences hosted by other Federal or non-Federal entities. Further guidance on approval requirements will be provided by October 15, 2012.
  - g. Commitment of any funds or obligation to the government is prohibited prior to the review and approval of the specified Approval Authority.
  - h. Waiver of timelines may be granted by the specified Approval Authority with sufficient justification to request an exception.

6. **Process:** VA's conference process will have four phases: Concept, Development, Execution, and Reporting. (See Attachment 4). Each phase will have objectives, metrics, and standards of execution. Starting in October 2012, VA will begin a quarterly Conference Planning and Execution Briefing Cycle.

Each Administration and Staff Office will be responsible for briefing the Chief of Staff quarterly on any anticipated conferences VA proposes to host or co-host, or Federal or non-Federal hosted conferences VA employees will attend, during the next twelve months. All planned conferences costing VA over \$20,000 each will require a concept plan. The format for the concept plan will be posted on the portal (to be developed) and will be the same as the format currently utilized for current fiscal year submissions. However, all planned conferences costing VA less than \$20,000 each will be submitted in a lump-sum estimate as part of the quarterly briefing to the Chief of Staff.

Department of Veterans Affairs Conference (VA) Oversight (VAIQ# 7280489)

- a. **Conference Planning Cycle:** Ninety days prior to the start of a fiscal quarter, the Chief of Staff will host a meeting of the Administrations and Staff Offices to review and authorize planning and business case development for all conferences proposed to cost VA \$20,000 or more in funds or resources. After the Chief of Staff performs an initial review of the fiscal year plan, each Administration and Staff Office are required to brief the Chief of Staff on their individual fiscal year conference plan. Each Administration and Staff Office must ensure that their budget officer is fully integrated into the decision process of all four phases to ensure fiscal discipline. Deviations of more than 5 percent above the approved conference budget require notification back to the approving authority and will require additional approval if budgetary thresholds are crossed. Templates for information required will be contained in the conference portal. By exception, with appropriate justification, a conference can be submitted for approval out of cycle as long as all planning requirements have been met.
- b. **Concept Phase:** VA will establish a disciplined conference approval process, which will begin with the concept phase. Once an organization has a concept for a conference, that concept will be developed and included in the Concept Authorization Briefing as part of the quarterly Conference Planning and Execution Briefing Cycle.
- c. **Development Phase:** This phase includes the development of the business case and the guidance for the planning and execution of the potential conference, and certification by the Conference Certifying Official (CCO).
- d. **Execution Phase:** This phase covers the period after the conference has been approved and the Administration or Staff Office has begun to execute the fully developed plan.
  - i. Site visits are authorized but must be approved by the Responsible Conference Executive (RCE). The use of any site visit should be limited to situations where all other reasonable alternatives such as Web searches, use of Internet, phone conversations and teleconferencing have proven insufficient with the proposed conference site vendors. All approved site visits will minimize days of travel and travelers.
  - ii. In accordance with the Office of Acquisition and Logistics Information Letter (IL-049-12-12) located at: [http://www.va.gov/oal/docs/library/ils/il02\\_12.pdf](http://www.va.gov/oal/docs/library/ils/il02_12.pdf), Legal and Technical Review of Proposed Contracts for Conferences, all proposed contracts for conferences, where VA's commitment, expenditure and liability combined exceed \$25,000, require legal and technical review prior to signature by a VA Contracting Officer.
- e. **Reporting Phase:** This phase covers the period after the execution of the conference. Administrations and Staff Offices will ensure that conferences were executed in accordance with applicable policies and regulations, and they must also conduct After Action Reviews. (See Attachment 13). Administrations and Staff Offices will assist in VA's continuing duty to track and report conference attendance and spending in accordance with Public Law 112-154 and OMB M-12-12.

4 | Page  
9/26/2012

Department of Veterans Affairs Conference (VA) Oversight (VAIQ# 7280489)

7. **Responsibilities:** Each Administration and Staff Office must develop internal supervisory controls for oversight of the execution of the conference, including appropriate checks and balances.

- a. Each Administration and Staff Office shall appoint in writing at least one CCO. (See Attachment 7). The CCO shall be a Senior Executive or SES-equivalent. The designee shall be familiar with the regulations and policy related to the conduct of conferences, training, and meetings. All conference proposals where costs to VA are expected to exceed \$20,000 must be reviewed and certified by the CCO as being in compliance with regulations and policy.
- b. A Senior Executive official shall be designated in writing as the RCE for any covered conference estimated to cost at least \$20,000 (See Attachment 10). The RCE is to be responsible for ensuring adherence to all applicable statutes, regulations, and policies when executing the approved conference. The RCE will nominate an appropriately qualified person to serve as the Program Manager (PM). (See Attachment 14).
- c. The RCE must certify that due diligence was exercised during the execution stage of a conference within 15 days of the conclusion of the conference. Examples of due diligence include, but are not limited to, requiring prior approval of any conference-related expenditure, including any use of purchase cards, and the RCE ensuring that there is a rational basis for the approval of lodging upgrades. This also includes ensuring that no conference includes expenditures for the use of entertainment (videos, music, etc.), motivational speakers, the purchase of SWAG ("Stuff We All Get") or promotional items, or the use of funds to emboss or otherwise imprint the name of the organization or event on any supplies, mementos, or other handouts. Further, within 30 days of the completion of the conference, the RCE will ensure that an After Action Review is conducted.
- d. The Under Secretary, Assistant Secretary, or equivalent official's recommendation or approval of a conference validates that appropriate due diligence was conducted and that the business case for the event justifies the venue and the use of resources (financial, time, and people). Additionally, the Under, Assistant Secretary or equivalent is confirming that the Conference Certifying Official (CCO) (See Attachments 8, 9), and RCE (See Attachments 11, 12), and all other planning personnel have adhered to all published guidance. This is an essential element of VA's oversight and conference execution practice to ensure VA maintains the public trust in the expenditure of public funds and that all possible measures have been taken to ensure compliance with applicable policies and regulations.

8. **Reporting Requirements:** VA will continue to track and report conferences in accordance with Public Law 112-154, Section 707 and OMB M-12-12, dated May 11, 2012.

Department of Veterans Affairs Conference (VA) Oversight (VAIQ# 7280489)

- a. The data to be reported includes, but is not limited to: transportation and parking; per diem payments; lodging; rental of halls, auditoriums, or other spaces; rental of equipment; refreshments; entertainment; contractors; and brochures or other printed media. All current reporting requirements will continue to be based on established employee participation and dollar thresholds established above. Along with reporting prior fiscal quarter conference data, PL 112-154 also requires information on conference costs for VA sponsored or co-sponsored conferences above \$20,000 that are planned during the fiscal quarter in which the report is submitted.
  - b. To accomplish the data collection and reporting activities associated with conference activity, the VA Chief Information Officer (CIO) will create a Web-based portal with initial operational capabilities (IOC) by October 1, 2012. Final system (after IOC) will include capabilities to allow for the capture, certification, and generation of standard and special purpose reports. The CIO will outline a plan with requirements and milestones to achieve full capability in 2013.
  - c. This portal will allow for the capture of data elements required for reporting purposes. Organizational CCOs and RCEs will be responsible for entering and certifying the accuracy of the data within 15 days following the conclusion of each conference.
9. **Mandatory Individual Training:** Leaders will ensure all employees and supervisors complete required training.
- a. All employees involved with the planning and implementation of conferences, including training events, are to undergo mandatory VA-approved ethics training. This requirement is also extended to all contract specialists. This training is available in VA's Talent Management System (TMS). The employee must view one of two videos, view the VA Ethics Contact list, and self-certify completion of both steps. The two videos are entitled "Inside Ethics" (TMS ID # 7505) and "Ethics Most Wanted" (TMS ID # 31726). Supervisors at all levels will ensure designated personnel within these categories complete training.
  - b. VA's financial policy provides that all purchase card holders are required to take purchase card training every 2 years and pass a test upon completion of the training. This training (available in TMS) covers the proper use of the purchase card, following appropriation law, and specifically outlines prohibited uses, such as buying employee food or refreshments and splitting purchases. VA policy provides that if the cardholder's training is not current, the cardholder's Agency Organization Program Coordinator is required to immediately lower the card limit to \$1 and request suspension of the cardholder's purchase card. Supervisors will ensure that purchase card approving officials have completed their required training. Senior leaders have the latitude to direct any subordinate having responsibility for the review and approval of funds for conferences or training sessions to

Department of Veterans Affairs Conference (VA) Oversight (VAIQ# 7280489)

complete this training. Supervisors at all levels will ensure designated personnel within these categories complete this training.

- c. VA financial policy also requires that all VA travel cardholders take travel card training every 3 years and pass a test upon completion of the training. This training in TMS covers the appropriate use of the travel card and consequences that may result from inappropriate/misuse of the travel card. The policy provides that if the cardholder's training is not current, the credit limit is established at \$1 until training has been completed. The travel card may be suspended or revoked for inappropriate use or misuse.

10. **Staffing:** VA must ensure appropriate staffing for departmental oversight and reporting. The Office of Management, Office of General Counsel, Office of Acquisitions, Logistics, and Construction, and Office of the Secretary staffs will develop a concept of operation for combined efforts with recommendations for a joint organizational solution for these offices to ensure that public funds are being expended in the most efficient and appropriate manner possible as we execute our required training to better provide quality services and benefits to Veterans, their families, and survivors. This recommendation will be presented to the Chief of Staff no later than October 15, 2012. Administrations and Staff Offices will develop a concept of operation for implementation, and management and oversight of conferences to include staffing and resource requirements to be briefed to Chief of Staff no later than October 31, 2012.

11. All conferences scheduled but not yet executed, regardless of any previous approvals, from this date forward will be reviewed to ensure compliance with these established standards for execution. Until organizational CCOs and RCEs are appointed, Senior Executive or SES-equivalent leaders will perform the duties required and certify each conference. Approval timelines will be adjusted to ensure conferences within 90 days of the memorandum are appropriately approved at the correct levels.

12. Let us not forget, we are guided by our VA I-CARE core values (Integrity, Commitment, Advocacy, Respect, and Excellence) as we conduct our daily duties serving Veterans. We are not immune to the mistakes made by those in the past. All conferences, meeting and training events are to be planned and executed to the highest ethical standards and in compliance with our values. We must be diligent to use our training resources prudently to carry out VA's sacred mission to serve Veterans.

13. The points of contact for this policy and oversight memorandum are Dave Thomas at (202) 461-4873 and Jack Kammerer at (202) 461-4845.



John R. Gingrich

7 | Page  
9/26/2012

Department of Veterans Affairs Conference (VA) Oversight (VAIQ# 7280489)

Attachments:

1. VA Hosted or Co-Hosted Conference Request Guidance. This document provides guidance on the planning and execution phases, applicable references and resources. It is to be used by conference planners, CCOs, and RCEs.
2. Conference Approval Process Flow Chart. This is a visual approval flow chart on the proper reviews and approvals needed to execute a conference based on established thresholds. This form should be used by all approving officials.
3. Reporting and Approval Matrices for Conferences Hosted or Co-Hosted by VA (or other Federal or Non-Federal Entities). This form assists offices in understanding the various approval and reporting thresholds
4. Conference Briefing and Reporting Milestones. This form assists offices with the various milestones associated with conference planning and reporting.
5. Conference Request Memorandum Template. This form that will be used for Chief of Staff review and Secretary or Deputy Secretary approval. This form is to be used by staff members who are planning the conference.
6. SECVA Conference Approval Waiver Template. This form is used for requesting approval of any conference that will cost VA at least \$500,000.
7. Conference Certifying Official Appointment Memo. This form is used by Administrations and Staff Offices to appoint their CCO.
8. VA Hosted or Co-Hosted Conference Proposal Checklist for Conference Certifying Officials. This form is used by the CCO as a nonexclusive list of items to ensure that the conference planning has been conducted in accordance with all applicable statutes, regulations, and policies. This is used in conjunction with the Conference Certification Form.
9. Conference Certification Form Template. This form is used by the CCO to certify the conference's planning was conducted in accordance with all applicable statutes, regulations, and policies.
10. Responsible Conference Executive Appointment Memo. This form is used by Administrations and Staff Offices to appoint their RCE for appropriate covered conferences.
11. Guidelines for Responsible Conference Executives. This form is used by the RCE as a nonexclusive list of items to ensure that the approved conference is executed in accordance with all applicable statutes, regulations, and policies.
12. Post-Conference Certification Form. This form is used by the RCE to certify that due diligence was exercised during the execution of the conference.
13. Conference After Action Review (AAR) Report Template. This form is a suggested template to be used by the appropriate personnel for a formal review of the conference's planning and execution.
14. Program Manager Appointment Memo. This form is used by the RCE to appoint a PM.

Appendix F: VA Secretary Memorandum for the Chief of Staff, “Delegation of Authority to Sign on Behalf of the Secretary”, April 14, 2016



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

April 14, 2016

MEMORANDUM FOR THE CHIEF OF STAFF

SUBJECT: Delegation of Authority to Sign on Behalf of the Secretary

1. **DELEGATION.** This memorandum delegates to the Chief of the Staff the authority to review and sign all documents that would otherwise be reviewed and signed by the Secretary with the exception of those documents that relate to authorities which, by statute, may not be delegated.
2. **AUTHORITY.** 38 U.S.C. § 512
3. **RESTRICTIONS.** None. This delegation cancels and supersedes all previous delegations of authority.
4. **REDELEGATION.** The Chief of Staff may not re-delegate this authority.
5. **EFFECTIVE DATE.** This delegation of authority is effective upon signature and will expire 2 years after the date delegated.

  
Robert A. McDonald

Appendix G: VCS Policy Directive 12-01, dated August 29, 2012

	<b>VETERANS CANTEEN SERVICE (VCS) CENTRAL OFFICE</b>
	<b>POLICY DIRECTIVE: 12-01</b>
	August 29, 2012 <span style="float: right;">OPR: FC</span>
<hr/> <b>SUBJECT</b> VCS Director's Promotional Fund <hr/>	
<b>I. <u>Purpose and Applicability:</u></b> This Policy prescribes general guidelines and instructions for the creation and use of expenditures from the VCS Director's Promotional Fund.	
<b>II. <u>References:</u></b> None.	
<b>III. <u>Policy:</u></b>	
1. <u>Promotional Funds, in general</u>	
a. The Director of VCS has the authority to utilize certain revenues, generated by VCS, to promote VCS to its customers. These funds are referenced herein as "Promotional Funds."	
b. Promotional Funds will be used to advertise and promote VCS, build customer loyalty and support, increase sales, and encourage the relationship between VCS and the Department of Veterans Affairs (VA) Medical Centers and other VA entities.	
c. Promotional Funds will be established at each VA Medical Center (VAMC), Veterans Integrated Service Network (VISN) Office, and other VA facilities with a canteen presence.	
d. VCS customers are defined as: patients, employees, volunteers, and visitors to VA health care facilities. A "visitor" may include family members who accompany patients. "Visitors" may also include representatives of Veterans Service Organizations, residents, trainees, affiliates, etc., as long as such individual is visiting a VA facility with a canteen presence.	
e. The Director may earmark specific portions of the Promotional Fund that may be used to support the activities of VA entities, as long as those activities also promote VCS. A base-dollar amount will be established for each VA entity dependent upon the type of activity and the presence of canteen customers. Additional funds may be allocated to those facilities where canteen operations are financially successful.	
1	

August 29, 2012

VCS Policy Directive 12-01

2. Permissible Uses

- a. Promotional Funds may be used to support activities where the majority of beneficiaries are customers and/or potential customers of VCS.
- b. Activities that utilize Promotional Funds must include recognition designed to maximize promotion of VCS, with VCS identified as the “sponsor” for the activity.
  - (1) The preferred and most effective means of advertising VCS is by verbal recognition of VCS sponsorship of the activity and VCS’s role in VA. The recognition may be made in the form of an announcement to the assembled audience, if applicable.
  - (2) If the activity sponsored by VCS Promotional Funds does not include an assembly, then written promotion of VCS should be prominent. See [Attachment 5](#) for suggestions to promote VCS.
  - (3) Signs or posters that promote VCS and recognize VCS sponsorship of the event are also suggested, in addition to, not in lieu of an announcement. Signs or posters should be placed in areas that maximize the promotion of VCS’s contribution to the activity. Signs will be provided by the local Canteen Chief or may be reproduced from the [VCS Knowledge Center](#).
- c. At VA facilities that do not operate canteens (e.g., VISNs, Outpatient Clinics, etc.), Promotional Funds may be used to educate potential customers about VCS operations and encourage their patronage.
- d. Promotional Funds may be used for drawings, where the primary purpose of the drawing is to promote VCS. However, raffles are not permissible, reference [Section 3](#) of this document. Drawings are defined as a random selection of an individual from a group of individuals that are eligible for the drawing. Unlike raffles, drawings do not require any monetary contribution (i.e. the purchase of a ticket) to win. An example of a group that would be eligible for a drawing includes individuals that enter the cafeteria or retail store during a time frame at a particular VA facility or VISN. VCS employees are not eligible to participate in drawings.
- e. Items purchased using Promotional Funds must be cost-effective and effectively promote VCS. Examples of such items include: VCS clothing (i.e. t-shirts), VCS apparel (i.e. caps), VCS memorabilia (i.e. pens), etc.
- f. The Promotional Fund may also be utilized to cater certain events. Catering includes providing meals or refreshments for customers and potential customers. Examples of permissible instances include:
  - (1) promoting employee award ceremonies – light refreshments only
  - (2) promoting cultural awareness programs

2

August 29, 2012

VCS Policy Directive 12-01

(3) Post-inspection briefings – light refreshments only

(4) Internal Inspection Teams – breaks and lunches

3. Impermissible Uses

- a. Promotional Funds cannot be used for prizes/supplies for raffles. Raffles are defined as a lottery in which a number of persons buy chances to win a prize.
- b. Promotional Funds cannot be used for medical center advertising, construction, or recruiting.
- c. Promotional Funds may not be used for activities where the sole or primary purpose of this activity is to improve employee morale or provide for employee recreation, unless such an activity is deemed, by the Canteen Chief, to effectively promote VCS.
- d. Items that are not cost-effective and do not sufficiently advertise VCS may not be purchased using Promotional Funds.
- e. Promotional Funds may not be used for activities where the majority of attendees are not VCS customers. For example, meetings with the Joint Commission or the Commission on the Accreditation of Rehabilitation Facilities (CARF), affiliate meetings, etc.
- f. Participation of VCS employees in Promotional Fund activities must be approved by VCS Central Office (VCSCO) before the event.

IV. Procedures:

1. The Canteen Chief or Associate Chief at each facility is the authorizing official for use of the Promotional Fund. Local canteens will be the primary source for VA activities using VCS Promotional Funds to purchase retail or food supplies, merchandise, or services (such as caterings). Failure to use VCS as the source for food or retail services may disqualify an activity from properly promoting VCS.
2. Canteen Chiefs must verify that Promotional Fund expenditures comply with VCS policies, including this Directive, before they utilize Promotional Funds to support a particular activity. If a requested expenditure is questionable, it is the Chief's responsibility to acquire more information and to work with the requesting entity to find a suitable solution to benefit both the VCS and the requesting party.
  - a. All expenditures from the fund will be documented by preparing a Request for Funds form ([attachment 1](#)), before the activity is scheduled to occur. This form is also located on the VCS Knowledge Center, [Finance Center section](#).
  - b. VCS Promotional Fund expenditures in excess of \$500 must be approved by a VCSCO official. VCSCO reserves the right to review any request for Promotional

August 29, 2012

VCS Policy Directive 12-01

Funds regardless of the value. The Request for Funds form should be e-mailed via Outlook to the **VCS Promotional Fund** mail group for this approval. An electronic approval is acceptable.

- c. In the event that the expenditure of Promotional Funds is appropriate and VCS cannot provide the services required, other sources may be used. The purchase price, plus an administrative surcharge of 10%, will be annotated on the Request for Funds Form. Outside services in excess of **\$100** must be authorized by VCSCO, prior to the activity. The Request for Funds form should be e-mailed via Outlook to the **VCS Promotional Fund** mail group for this approval. An electronic approval is acceptable.
- d. Request for Funds forms requiring VCSCO approval;
  - (1) Prior to e-mailing this form, ensure that it is completely filled out!
  - (2) **DO NOT** wait until the last minute to obtain VCSCO approval. Submit the request for funds form as soon as you are aware of the activity.
  - (3) If the facility approval is via e-mail, send your Request for Funds as an attachment to the approval e-mail. Send it to the **VCS Promotional Fund** mail group. Canteen Chief and Director approval are required on all requests before they will be considered by VCSCO.
  - (4) Requests presented after the event will not be approved.
- e. Once an event has concluded, a computer generated Director's Promotional Fund Check should be completed in the Automated Sales Reporting (ASR) system no later than the following business day after the activity, a copy of which is shown in [attachment 2](#).
- f. On the Promotional Fund Check, be as descriptive as possible in the space provided to describe the sponsored activity. (Example: All Employee Picnic)
- g. Promotional Fund checks are sequentially numbered and must be printed, and signed by the Canteen Chief or Associate Chief. If the dollar amount of the check does not exceed the approved amount from the Request for Funds form, then no other signatures are needed. However, if the dollar amount of the check does exceed the original approved amount from the Request for Funds form, the check must be signed by the VAMC Director, VISN Director, or other VA entities' chief officer (or their designee). An electronic (e-mail) approval is acceptable if the e-mail originates from, or includes, the approving officials.
- h. The completed checks and accompanying Request for Funds form, along with any related documentation, will be forwarded to the Finance Center with weekly ASR back-up. The checks and Request for Funds form will be maintained at the Finance Center in a canteen specific file for five years after the event.

August 29, 2012

VCS Policy Directive 12-01

- i. Under no circumstances will cash be provided from the Promotional Fund prior to any activity. Reimbursement to VA employees for approved outside purchases will be made after the activity. Reimbursements and/or invoices less than \$250 may be disbursed from petty cash funds. Reimbursements and/or invoices of \$250 or more will be made by check from the VCS Finance Center. All requests must be accompanied by the Request for Promotional Fund Reimbursement form, a copy of which is shown in [attachment 3](#), a copy of the approved Request for Funds form and a copy of the receipt/invoice.
  - j. At the end of each business month a Promotional Fund Account Statement should be created for each account using the ASR system (under Charge Sales), as shown in [attachment 4](#). Statements will be forwarded to the facility Director or other program official. Statements show the beginning fund balance, uses of the fund during the month and the amount, additions to the fund, and the ending fund balance.
  - k. The Canteen Chief is responsible for determining the best means of promoting VCS and whether participation at an event will effectively promote VCS. It is also the responsibility of the Canteen Chief to ensure that VCS is appropriately promoted at events supported by VCS' Promotional Funds. Signage for activities sponsored by the Promotional Fund may be obtained via Dayton Warehouse and on the VCS Knowledge Center. Refer to [attachment 5](#) for additional suggestions.
  - l. To assist you in the entire process of a Promotional Fund transaction, a flow chart is included in [attachment 6](#) for your use.
  - m. An annual audit, conducted by VCS Internal Audit, will identify Promotional Fund use that does not appear to meet the intent and/or criteria cited in this policy. Any suspected inappropriate activity will be elevated to the Director of VCS for appropriate action.
  - n. If you have any questions regarding anything to do with the Promotional Fund, please contact either your Regional Manager, Melvin Phillips (x. 1305) or Tanya Gent (x. 1300).
3. If the VAMC/VISN Director designates someone to request or approve activities that utilize Promotional Funds, a letter of record signed by the Director must be maintained in the canteen and the Finance Center.
- V. Responsibilities:**
1. The Director, VCS, is responsible for annually determining amounts designated for distribution to Promotional Fund accounts with the final approval by the Chairman of the Canteen Advisory Council (Assistant Deputy Under Secretary for Health and Operations and Management (ADUSHOM)). The Director will also render final decisions as to the appropriateness of expenditures from the fund.

August 29, 2012

VCS Policy Directive 12-01

2. The Chief Financial Officer, VCS, is responsible for issuing procedures for processing, reimbursing, and accounting for expenditures from Promotional Funds. Internal reviews will be conducted throughout the year to ensure proper internal controls are in place to monitor expenditures.
  3. The Chief Auditor, VCS, is responsible for conducting an annual audit of approximately one-third of Promotional Fund activities. Findings and recommendations will be submitted to the Director, VCS, for appropriate actions.
  4. The Chief Operating Officer, Associate Director of Operations, and Region Managers are responsible for enforcing the provisions of this policy.
  5. Canteen Chiefs are responsible for insuring Promotional Funds are approved and used in accordance with the provisions cited in this policy, all requests for use are properly documented, and that all uses are properly reported in the ASR system.
- VI. **Rescission:** VCSO Policy Directive 11-01, VCS Director's Promotional Fund, dated November 1, 2011.
- VII. **Expiration Date:** Effective until rescinded or superseded.

*// Signed //*

Marilyn Iverson  
Director

Attachments:

- (1) [Request for Funds](#)
- (2) [Example Fund Check](#)
- (3) [Request for Reimbursement](#)
- (4) [Example Fund Statement](#)
- (5) [Suggestions to Maximize Promotion of VCS](#)
- (6) [Quick Reference Guide](#)

August 29, 2012	<a href="#">Back to Section IV.2.a</a>	VCS Policy Directive 12-01 Attachment 1
<b>VETERANS CANTEEN SERVICE (VCS) PROMOTIONAL ACCOUNT</b>		
<b><u>REQUEST FOR FUNDS</u></b>		
Date:	<b>Canteen #</b>	
From:	<b>Promo Fund: Directors VISN CBOC Other</b> (choose one)	
Subj: Request for VCS Promotional Funds	<b>Promo Check #</b> (office use only)	
To: Canteen Chief		
Thru: Medical Center/VISN Director/Designee		
The following information is provided in accordance with policies and procedures outlined in VCS Policy Directive #12-01 (use additional sheets if necessary):		
a. State activity title, briefly describe the purpose for the activity, people who will attend or benefit from the activity (i.e. patients, staff, visitors, volunteers), and identify what items will be purchased for the activity (i.e. food, refreshments, VCS memorabilia).		
b. In addition to signage, how will the VCS be promoted at this event?		
c. Amount of funds requested: If outside purchase, list separately the amount of mark-up, or 10% here: <b>Note: Cash will not be given prior to an event.</b>		
b. Is VCS providing the services requested? If not, why?		
c. Projected number of attendees: VCS Customers _____ Non-VCS customers _____ * VCS customers are defined as: patients, employees, volunteers, and visitors to VA facilities (i.e. family members, VSO representatives, etc.).		
d. Date and time of event:		
e. Location of event:		
f. Contact person if further information is needed:		
_____ Signature of Requestor		_____ Date
Funds are <input type="checkbox"/> authorized / <input type="checkbox"/> not authorized IAW VCS Policy Directive 12-01:		
_____ Signature (VAMC/VISN/VBA/OPC Director (or designee)		_____ Date
_____ Signature (Canteen Chief)		_____ Date
<b>**If request exceeds \$500, or outside services are requested in excess of \$100, VCSCO approval is required.</b>		
_____ Signature (VCSCO Approving Official)		_____ Date
<b><u>**Electronic signatures are acceptable. Please attach any electronic approvals to this form for submission to the Finance Center.</u></b>		
7		

August 29, 2012 [Back to Section IV.2.e](#) VCS Policy Directive 12-01  
Attachment 2

**VETERANS CANTEEN SERVICE**  
DIRECTOR'S PROMOTIONAL FUND CHECK

####

Canteen # and Location \_\_\_\_\_  
Date \_\_\_\_\_

Event Description: \_\_\_\_\_  
Requested By: \_\_\_\_\_

Amount: \_\_\_\_\_  
Balance: \_\_\_\_\_

\_\_\_\_\_  
Chief Canteen Service                      Director

8

August 29, 2012 [Back to Section IV.2.i](#) VCS Policy Directive 12-01  
Attachment 3

**Request for Promotional Fund Reimbursement**

**Request for Reimbursement, or Payment, for Goods & Services Provided by Outside Sources from the Promotional Funds in excess of \$250 will be paid by the Finance Center.**

**If the amount owed is less than \$250 and VCSCO has approved the expenditure, the canteen may use Petty Cash Funds.**

The Request for Reimbursement does not replace the Promotional Fund Check. The corresponding concession promo check must still be processed in ASR.

Please fill out the form below to initiate payment by FC:

Canteen #

Event:

Date of Event:

Is this purchase associated with a VCS catered event?(circle one) Yes No

Note: Unless you have indicated that this request for reimbursement is for a deposit, payment will not be made until after event has taken place.

I certify that an announcement was made and signage was posted promoting the Canteen.

Chief or Designee

Amount of Check: \$

Please make Check Payable to:

Name If current VCS vendor, Vendor #:

Mail Check to the Address below:

Address

City State Zip Code

**Please Fax this Sheet and the approved Request for Funds form, along with Invoices and/or Cash Register Receipts to:**  
**A/P Division, Promotional Sales – Reimbursement**  
**Fax No. (314) 845-1303**

Note: Payment cannot be made without the required invoices or cash register receipts and Request for Funds form.

If you have any questions:  
Canteens 101 through 592 contact 314-845-1316  
Canteens 594 through 895 contact 314-845-1322.

Checks will be issued within three to four workdays of receipt of this request and the required documentation.

9

August 29, 2012	<a href="#">Back to Section IV.2.j</a>	VCS Policy Directive 12-01 Attachment 4	
<b>Promotional Fund Statement</b> Report Date 7/20/2011			
ABC Medical Center BEGINNING BALANCE		317.53	
<b>CHECKS</b>	<b>DATE</b>	<b>AMOUNT</b>	<b>BALANCE</b>
5162	8/1/2011	51.48	266.05
STEERING COMMITTEE MEETING JULY 12 <sup>TH</sup>			
<b>ENDING BALANCE</b>			<b>266.05</b>

10

August 29, 2012

[Back to Section IV.2.k](#)

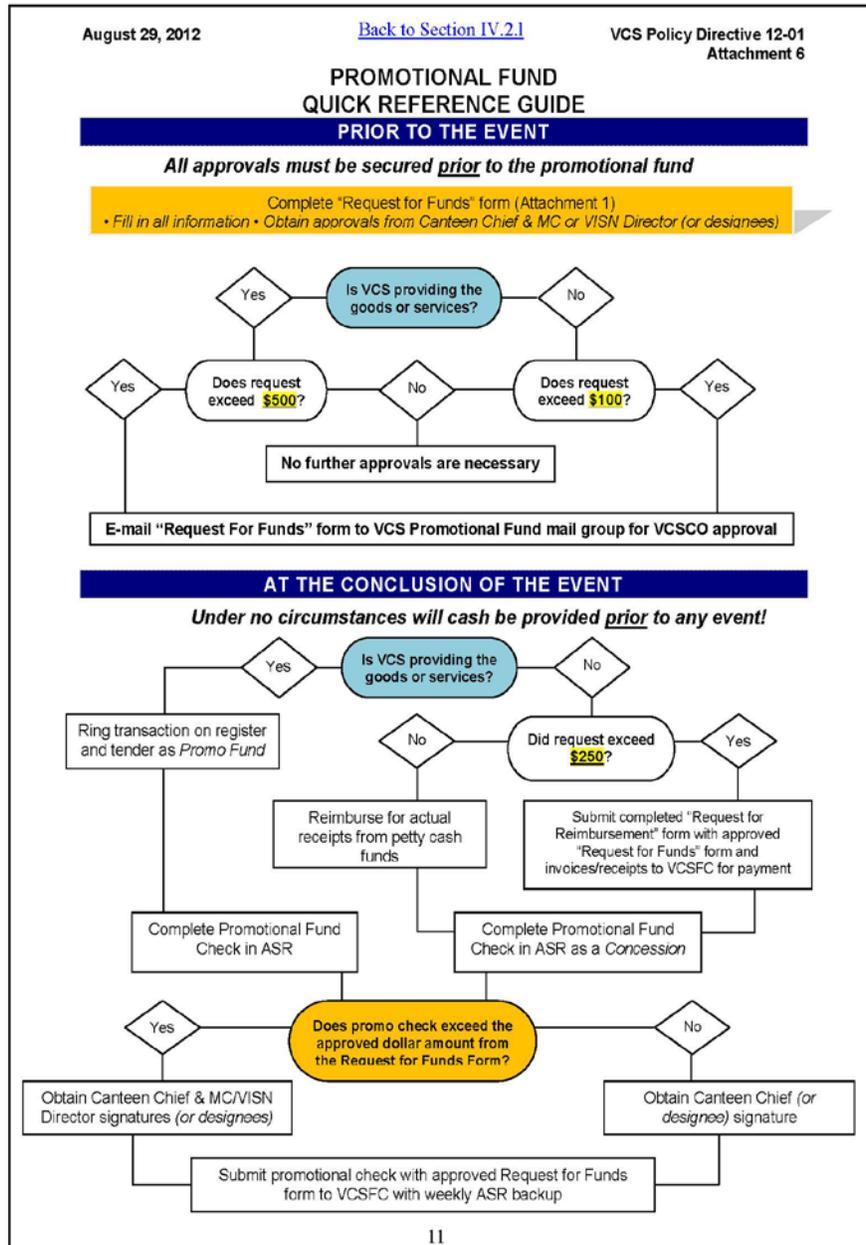
VCS Policy Directive 12-01  
Attachment 5

### Suggestions to Maximize Promotion of VCS

- A. Announcement by VA Executive (or designee) Promoting VCS  
(Sample announcement for an event):

"I want to thank the Veterans Canteen Service for their sponsorship of this event. I encourage you to take time to stop in the PatriotStore and PatriotCafé to thank the VCS team for their contribution to the great care provided to our Veterans. I also encourage you to take advantage of their exceptional values. Your patronage with the VCS allows them to support events such as National Rehabilitation Games, Fisher House, Homeless Veterans Program, OIF/OEF Veterans and Disaster Relief Funds. The local Store Manager is \_\_\_\_\_, and he/she welcomes your comments and suggestions."

- B. Include Canteen Chief on meeting agenda to promote VCS.
- C. Include VCS logo on event memos, flyers, e-mail messages, T-shirts, etc.
- D. Display signs promoting VCS sponsorship (table signs and posters).
- E. Place upcoming VCS Sale Event flyer or other VCS promotional material at place settings or on chairs and reference in an announcement.
- F. Any promotional items given to patients or caregivers should be accompanied by promotional literature or a printed message with the VCS logo (i.e. VCS Sale Event flyer).
- G. Spotlight VCS promotional fund activities in Medical Center newsletters or daily e-mail messages.



Appendix H: VCS Memorandum, “Use of VCS Promotional Funds”, September 28, 2015

Department of  
Veterans Affairs

## Memorandum

Date: SEP 28 2015

From: Acting Deputy Under Secretary for Health for Operations and Management (10N)

Subj: Use of VCS Promotional Funds

To: Network Directors (10N1-23)

1. Recently, there have been several inquiries on the use of Veterans Canteen Service (VCS) Promotional Funds. The VCS Promo Fund is exclusively used to advertise and promote VCS, build customer loyalty and support, increase sales, and encourage the relationship between VCS, VA Medical Centers and other VA entities.
2. The Canteen Chief or Associate Chief at each facility is the authorizing official for use of the Promotional Fund. He or she must verify that Promotional Fund expenditures are reasonable and comply with VCS policies, including VCS Policy Directive 12-01, before Promotional Funds may be utilized to support a particular activity. Attached is the VCS Promotional Fund policy citing specific provisions for utilizing the fund.
3. Examples of activities for which promo funds may be used, provided the activity or event effectively promotes VCS, include:

#### Veterans Activities

- Flu Shot Clinics
- Custom pins, buttons, T-shirts purchased through VCS
- “Sweat with Vets” functions
- Welcome Home Celebrations
- Community Stand Down
- Holiday Open House
- Veterans Day Celebrations
- Valentines for Vets
- Spinal Cord Injury Units
- Light refreshments for waiting areas
- Light refreshments for patients who have fasted for bloodwork
- Woman Veteran Health Initiatives
- Local Rehab Events (i.e., Creative Arts Festival)
- LGBT Celebrations
- Mental Health Awareness
- POW Ceremonies
- Sexual Assault Awareness Month
- Community Living Center Events (e.g., Ice Cream Socials, Pizza Parties).

VA FORM 2105

Page 2.

Use of VCS Promotional Funds

**Employee/Volunteer Activities**

- New Employee Orientation
  - Light refreshments for employee meetings
  - Nurses Week Celebrations
  - Volunteer Week Celebrations
  - Employee Recognition Events
  - Diversity Celebrations
  - Resident Graduation Receptions
  - Leadership Summits
  - LGBT Celebrations
  - Retirement Ceremonies
  - Excellence in Care Ceremonies
4. Prohibited uses of VCS Promotional Funds include raffles, medical center advertising, construction, recruiting, and activities that do not sufficiently promote the VCS or the majority of the attendees are not VCS customers.
5. Please feel free to contact your local Canteen Chief or Mr. Melvin Phillips, VCS Chief Financial Officer, at [melvin.phillips@va.gov](mailto:melvin.phillips@va.gov) with any questions regarding the VCS Promo fund policy.



Janet P. Murphy, MBA

VA FORM 2105