

Date **6 OCT 1986**

ROUTING AND TRANSMITTAL SLIP

TO: (Name, office symbol, room number, building, Agency/Post)		Initials	Date
1.	EXA/DDA	<i>JM</i>	16 OCT 1986
2.	MS/DA		
3.	SSA/DDA	<i>JD</i>	16 OCT 1986
4.	<i>ADA</i>	<i>UJ</i>	16 OCT 1986
5.	<i>ADA</i>	<i>JA</i>	16 OCT 1986

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

6. DDA REGISTRY

cc: D/OF - For comments
 D/OP
 D/OL

Jone
10/11/86

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
	Phone No.

5041-102

*U.S.G.P.O.: 1983-421-529/320

OPTIONAL FORM 41 (Rev. 7-76)
 Prescribed by GSA
 FPMR (41 CFR) 101-11.206

**EXECUTIVE SECRETARIAT
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
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3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA		X		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
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SUSPENSE _____

Date _____

Remarks

H/ Executive Secretary
15 OCT 86

Date

STAT



United States Department of State

Washington, D.C. 20520

66- 4743X

DATE: October 1, 1986

MEMORANDUM

TO : EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

FROM : Foreign Currency Staff (M/COMP/FO/FC)
Office of the Comptroller
U.S. Department of State *J.K.*

SUBJECT : STATE DEPARTMENT GUIDELINES FOR TRAVEL, TRANSPORTATION,
PER DIEM, AND RELATED COSTS ASSOCIATED WITH
EXCESS AND NEAR-EXCESS CURRENCY DESIGNATED COUNTRIES.

REFERENCE: Office of Management and Budget (OMB) Bulletin A-20 of
May 21, 1966 (as amended).

1. BACKGROUND

The United States Treasury is holding large balances of certain foreign currencies designated as excess and near-excess currencies. Failure to fully utilize these funds in the past has resulted in large losses in value due to devaluations and general loss of purchasing power. Special efforts should be made to see that obligations for goods and services in countries whose currencies are excess or near-excess are made payable in those currencies rather than in U.S. dollars. Payments for travel, transportation, per diem and related costs afford an excellent use of these currencies and every effort should be made to encourage their use.

2. PURPOSE

The information contained in these guidelines is being issued to clarify OMB Circular No. A-20 in the use of US-owned foreign currencies for the payment of transportation, per diem and related travel expenses of employees, uniformed personnel, grantees, employees of contractors or others whose travel is on official government business or in connection with activities financed by the U.S. Government, including travel of dependents where authorized. These guidelines concern the use of US-owned currency of the countries designated as excess and near-excess currency countries. (REF 4 FAM 360, 471.8 and 6 FAM 128.1). The Department of Treasury determines on an annual basis which countries are designated as excess or near-excess currency countries. M/COMP/FO/FC will update these guidelines each October to indicate current conditions and countries (See Attachment A). Inquiries should be addressed to the Foreign Currency Staff (M/COMP/FO/FC) U. S. Department of State, Washington, DC. 20520, Tel. (703) 235-9309.

DD/A REGISTRY

FILE: 38-13

3. RESCISSION OF PRIOR BULLETINS

These guidelines rescind and supersede State Department Guidelines for Travel, Transportation, Per Diem, and Related Costs Associated with Excess and Near-Excess Currency Designated Countries dated June 18, 1986.

4. DESIGNATION OF EXCESS AND NEAR-EXCESS CURRENCY COUNTRIES

Excess currencies. This term refers to US-owned foreign currencies in excess of the normal requirements (generally a two-year supply) of U.S. Government agencies within the country involved.

Near-Excess Currencies. This term refers to US-owned foreign currencies which exceed the U.S. Government's immediate needs within the country involved, but are not sufficient to be declared excess.

In some excess or near-excess currency countries the national governments have agreed to allow airlines to convert these foreign currencies to US dollars. At present INDIA, PAKISTAN AND POLAND have negotiated agreements which allow the conversion of local currency to US dollars. Due to these agreements Pan American Airways and TWA can convert their foreign currency receipts to US dollars. These airlines should be used when 75% of the travel or transportation services to or from these countries is provided by these airlines. In other countries the national governments do not allow this type of conversion and the US government cannot require local currency payments for these transportation costs. Local currencies should be utilized to the maximum extent for the payment of in-country per diem, shipments and travel.

5. UTILIZATION OF EXCESS AND NEAR-EXCESS CURRENCIES

Every effort should be made to see that travel related obligations in excess and near-excess currency countries are made payable in the currencies of those countries rather than in U. S. dollars, no matter what appropriation or fund is to be used for payment. This should include transportation and travel related obligations for American contractors, to the extent that the contractor may be expected to require such currencies for necessary expenses in the country involved. Provision should be inserted in contracts requiring that U.S. dollars not be expended for transportation and travel related costs in the country concerned.

6. LIMITATIONS FOR PAYMENT OF INTERNATIONAL TRAVEL IN FOREIGN CURRENCIES (India, Pakistan and Poland)

(a) TRANSIT PASSENGERS

An employee must have bona-fide official business requiring an official stop-over (24 hours minimum) in the excess or near-excess

country to qualify for payment in that excess or near-excess currency.

(b) SHIP TRAVEL

Ship travel originating or terminating in INDIA, PAKISTAN and POLAND must use excess or near-excess currency up to the travel expenses authorized. The U.S. Government costs are limited to those which would accrue by authorized air travel.

(c) CONNECTING TRAVEL

The agreements with INDIA, PAKISTAN and POLAND provide for connecting air travel in the United States as part of the authorized international travel. To include such connecting travel in the through ticketing payable in foreign currency the GTR should be presented to the international carrier involved in the travel. Tickets purchased from such a carrier may of course provide connecting air travel to or from any point in the United States. At this time only PAN AMERICAN and TWA will accept payment in excess or near-excess foreign currencies. In order to charge the GTR to the foreign currency, 75% of the designated travel must be for travel on Pan Am or TWA. GTRs specifying payment in excess currencies should not be presented to other airlines unless the airline is authorized to use PAN AM or TWA ticket stock.

7. PROCUREMENT OF INTERNATIONAL TRANSPORTATION FOR PAYMENT IN FOREIGN CURRENCY (India, Pakistan and Poland)

The Government Transportation Request (GTR, SF 1169), Government Bill of Lading (GBL, SF-1103) and other procurement documents are used to procure travel charged to foreign currencies. It is extremely important that "PAYMENT IN (foreign currency)" appear on the GTRs, GBLs, etc. If this statement is not included then the carrier has the legal authority to demand a US dollar payment. The "BILL TO" portion of the GTR, GBL or other procurement document must contain three instructions:

1. The name of the requesting agency
2. The address to be billed
3. The instruction on payment in foreign currency.

EXAMPLE: "USIA, c/o American Embassy NEW DELHI, Dept. of State, Washington, DC. 20520, PAYMENT IN INDIAN RUPEES."

The Embassy billing addresses and corresponding foreign currencies are:

United States Embassy
New Delhi
Budget and Fiscal Section
Dept of State
Washington, DC 20520

INDIAN RUPEES

United States Embassy
Islamabad
Budget and Fiscal Section
Dept of State
Washington, DC. 20520

PAKISTAN RUPEES

United States Embassy
Warsaw
Budget and Fiscal Section
Dept of State
Washington, DC. 20520

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Any preprinted information in the "Bill to" space of GTRs and GBLs inconsistent with the above instructions should be deleted. The correct address may be shown in the fiscal block of the GTR if additional space is needed.

Photocopies of these procurement documents should be forwarded to the appropriate Embassy as soon as the purchase is made. The receiving Embassy will maintain these copies in a suspense folder until the billing is received. The copies should be forwarded as follows:

a. Documents originating in the United States should be mailed to the United States Embassy, (_____) (indicate capital city of foreign country), ATTN Budget and Fiscal Section, c/o Department of State, Washington, DC. 20520.

b. Documents originating from overseas posts should be sent via air pouch to the appropriate Embassy as soon as the obligation is established.

Such documents should be sent through official channels whenever possible. A.P.O. addresses may be used where available. If feasible to personally deliver documents to an American Embassy or Consulate for forwarding to another country, this should be done in preference to use of open mail.

The present approved uses for transportation in India, Pakistan and Poland follow:

<u>Country</u>	<u>Currency</u>	<u>General Approved Use</u>
India	Rupee	Air travel originating or terminating in India or transiting with stopover (24 hours minimum) for official business in India. Surface travel originating or terminating in India. Air or surface freight shipments* originating or terminating in India.

Pakistan	Rupee	Air travel originating or terminating in Pakistan or transiting with stopover (24 hour minimum) for official business in Pakistan. Surface travel originating or terminating Pakistan. Air or surface freight shipments* originating or terminating in Pakistan.
Poland	Zloty	Air travel originating or terminating in Poland or transiting with stopover (24 hour minimum) for official business. Air or surface freight shipments* originating or terminating in Poland.

* Includes but not limited to baggage, household effects, motor vehicles and supplies.

8. PER DIEM AND PERSONAL EXPENSES (all excess and non-excess currency countries)

Agencies should instruct travelers to minimize use of U. S. dollars for travel and per diem expenses in all the excess and near-excess currency countries, whether or not that currency is available for payment of international transportation. If a U. S. dollar travel advance (by cash, Treasury check, or traveler's check) is made to the traveler to include official travel expenses while in these countries, he should be told to convert these U. S. dollars plus any other funds he intends to use for personal expenses into US-owned foreign currency of such countries upon arrival by utilizing the accommodation exchange service provided by the American Embassy or U. S. Consulate or other location listed in the attachment to this document.

Embassy cashiers may exchange US-owned foreign currency of the country where located for U.S. currency, Treasury checks, personal checks, traveler's checks or other negotiable instruments drawn in U.S. dollars. A passport or other adequate identification must be shown when requesting accommodation exchange.

Travelers should be advised to purchase all their local currency needs in the excess and near-excess countries by accommodation exchange prior to paying hotel bills, buying transportation tickets, etc.

Travelers should take a supply of personal or traveler's checks for conversion to local currency by accommodation exchange for official costs and personal expenses while in an excess or near-excess currency country.

9. DELEGATION OF CERTIFYING AUTHORITY

Any agency designating an Embassy for payment of travel and transportation bills which does not have its own authorized certifying officer stationed there, must in accordance with Volume 4, Foreign Affairs Manual, Sec. 068, authorize Department of State certifying officers at the appropriate Embassy to certify vouchers against its appropriations or funds cited on GTRs, GBLs or other documents. With such delegation the carrier bills will be certified and submitted to the U. S. Disbursing Officer (USDO) for payment.

Many agencies have already delegated unlimited certifying authority to Department of State certifying officers at overseas posts, and others have delegated limited authority. Agencies making delegations should forward them in writing to Office of Financial Operations, Department of State, Rosslyn Station, P. O. Box 9487, Arlington, Virginia 22209. Information regarding delegations may be obtained from Office of Financial Operations, Telephone No. (703) 235-9309. Agencies whose activities fall under the provisions of this bulletin are encouraged to delegate certifying authority for use in all appropriate excess and near-excess currency countries.

10. EXCHANGE RATE

For carrier bills presented to Embassies for payment in local currency, agencies will be charged the U. S. Dollar equivalent at the rate used by the USDO for official U. S. expenditures prevailing at the time of payment. US-owned foreign currency purchased by travelers offers a rate at least as favorable as the most favorable rate legally available in the country. Under no circumstances should any traveler representing the U. S. Government become involved in black market transactions. To do so subjects the traveler to disciplinary actions. Government per diem rates in foreign countries are related to rates of exchange legally available to U.S. employees in the country.

11. MONTHLY REPORTS

The USDO for each Embassy will render a "Statement of Transactions", SF-1221, monthly to each agency to account for disbursements made on its behalf. Agencies which have not already done so should provide the Office of Financial Operations, Department of State, Washington, D. C. 20520, with the address to which the SF-1221 is to be mailed.

If a department or agency using this service has multiple bureaus or office addresses for receipt of SF-1221's this must be clearly stated and each "bureau" or "office" abbreviated designation should be associated with each address just as it will appear in the "Bill to" space on GTRs, GBLs or other procurement documents. SF-1221's will be prepared and mailed to these separate addresses if the carrier provides the billing separately on Voucher Form

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SF-1171. Where carriers do not bill separately it will not be feasible for the USDO to provide separate SF-1221's. In this case it will be up to each agency in Washington to distribute these charges to their internal offices and bureaus.

ATTACHMENT AEXCESS AND NEAR-EXCESS CURRENCY COUNTRIES FOR FY 1987EXCESS CURRENCY COUNTRIES

<u>COUNTRY</u>	<u>CURRENCY</u>	<u>EMBASSY</u>	<u>CONSULATE</u>
Burma	Kyat	Rangoon	
Pakistan	Rupee	Islamabad	Karachi Peshawar Lahore
Poland	Zloty	Warsaw	Poznan

NEAR-EXCESS CURRENCY COUNTRIES

<u>COUNTRY</u>	<u>CURRENCY</u>	<u>EMBASSY</u>	<u>CONSULATE</u>
India	Rupee	New Delhi	Bombay Calcutta Madras
Sudan	Pound	Khartoum	
Taiwan	Dollar	American Institute of Taiwan	