



Department of Veterans Affairs

Financial Policy

Volume II

Appropriations, Funds, and Related Information

Chapter 4

Awards, Ceremonies, Food or Refreshments, Gifts or Mementos

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0401 Overview

This chapter establishes the Department of Veterans Affairs (VA) financial policies 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:

- 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.
- Ceremony/event organizers must be fiscally responsible when planning activities.
- Ceremony/event organizers should ensure that VA does not incur expenditures for entertainment (videos, music, etc.), motivational speakers, the purchase of promotional items, embossing, or otherwise imprinting the name of the organization on any supplies, mementos, or handouts (unless the materials have been vetted to insure they provide information or outreach data concerning the Department's mission, functions, or programs).
- In general, food is considered a personal expense and cannot be paid for with appropriated funds for employees or non-government personnel.
- 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 a ceremony exceed \$30 per person or \$10,000 in total.
- Commemorative or Challenge Coin purchases must be approved in advance by the appropriate Under Secretary, Assistant Secretary or Other Key Official and may not be personalized with the name of the official presenting them or the office or individual receiving them. This approval process, with regards to coins, supersedes prior guidance.

0402 Revisions

Section	Revision	Office	Reason for Change	Effective Date
Appendix F	Updated DOA for use of Seal	OFP (047G)	DOA had expired	May 2022
Appendix F	Added DOA for use of Seal	OFP (047G)	DOA required per OGC	February 2020
0401 Overview	Added restrictive language on food, entertainment and general expenditures for ceremonies. Also clarified that coin purchases must be approved in advance by the Under Secretary / Assistant Secretary / Other Key Official within each administration or staff office	OFP (047G)	Clarification of verbiage	Oct 2019
0403 Definitions	Added definition of “entertainment”	OFP (047G)	Enhance reader understanding	Oct 2019
040503 B, C, E	Requirement for approval of coin purchases is changed from the VA Chief of Staff to the Under Secretary, Assistant Secretary, or other key official within each Administration or Staff Office	OFP (047G)	Revised approval requirement	Oct 2019
040505 A2	Added language clarifying need to keep expenses under allowable per diem rate for the area	OFP (047G)	Enhance reader understanding	Oct 2019
040506 A	Added language to clarify approval role for per person limit	OFP (047G)	Enhance reader understanding	Oct 2019
Appendix A	Replaced with Frequently Asked Questions	OFP (047G)	Removal of obsolete information	Oct 2019
Appendix B	Removed due to containing information that is no longer relevant	OFP (047G)	Removal of obsolete information	Oct 2019
Appendix D	Removed due to containing information that is no longer relevant	OFP (047G)	Removal of obsolete information	Oct 2019

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 who made an extraordinary contribution to agency success or efficiency through a suggestion, invention, superior accomplishment, or other meritorious effort.

Certificate - A document of recognition for an honor; e.g., high performance certificate, certificate of participation, or commemoration of an achievement or accomplishment. A certificate does not have a cash value. Note: a gift certificate is not considered an *award* 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](#)). A conference in this regard is not a routine, regular business meeting.

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

De Minimis – Meaning something of minimal value, cost, or import. Considered when the value of an item too small or miniscule to make accounting for it reasonable or practicable. An award should be of minimal intrinsic value or *de minimis* so that it is not a disguised form of compensation. Cash awards or gift certificates are not considered *de minimis* and may be taxable.

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 \(April 5, 1999\)](#). Performance requirements for Special 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.

Entertainment – The action of providing or being provided with amusement or enjoyment; an event, performance, or activity designed to entertain others.

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 of the value of an award.

Food or Refreshments - Examples of refreshments include but are not limited to coffee, tea, milk, juice, soft drinks, bottled water, 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 specific 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 or encouraging performance. The use of positive reinforcement for the purpose of promoting behavioral change.

Necessary Expenses - The standard for considering 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, if it is not otherwise prohibited by law, or addressed in another, specific appropriation.

Non-monetary Award - Examples include but are not limited to plaques, medals, certificates, desk items (e.g., pens) and clothing items (e.g., T-shirts). Material items exceeding the *de minimis* value may also be 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 – “Stuff We All Get” including, but not limited to 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 or otherwise 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.

Training/Training Events – Training is 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.

Volunteer – Any individual accepted by VA to provide uncompensated services as deemed appropriate.

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 U.S.C. §§ 4101~4109), [5 C.F.R. § 451.104](#), and [VA Handbook 5017/1, Employee Recognition and Awards](#), VA may expend appropriated funds 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, 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 and recognition may be given to an individual for his/her:

- 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
 - 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. Employees receiving an award in excess of \$100 should consult their tax advisors for specific advice.
- 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 using the Account Adjustment Statute, 31 U.S.C. § 1534. 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.
- 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.
 - The award approving official must determine the fair market value (FMV) of an award for tax purposes. The FMV may be the purchase price of the item, but the FMV will be determined based on all of the relevant 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, available 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 approving official must complete *and* certify the “SPECIAL USE” section.

- 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 cannot 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 1B, Government Purchase Card for Micro-Purchases](#)).

- 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.

1. 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.
 2. 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.
 3. 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 in a given appropriation but may be permissible only if reasonably necessary or incident to the proper execution of an authorized purpose or function of VA, are not otherwise illegal, or are not otherwise addressed specifically in another appropriation law. 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. Ch. 74](#). These are mission-critical positions based on the need to interest qualified applicants, given current and anticipated job market conditions.
- C. Gifts and mementos should display a recruitment slogan or other specific informational 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 appropriation's act or other statute. Memoranda and Handbooks are not considered legal authorities.
- 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"](#). Chapter 4 also addresses the appropriateness of gifts or mementos for employees. The Chief of Staff 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," stated "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. The VA may however, continue to purchase promotional items intended for the Veterans, such as informational and educational materials that directs Veterans to services (e.g., Veteran Crisis Lines, benefits services counseling) and have a clear connection with VA's mission.
- H. Secretary's Reception and Representation Expenses - The Office of General Counsel (or the Comptroller General) has opined that the Secretary's Reception Allowance and the Pershing Hall Fund are 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 not “Swag” and should not be distributed at will. This does not limit the VA Secretary’s authority to distribute coins that he sees fit for good-will purposes. Only the VA Secretary has the authority to distribute coins, or mementos, to anyone for good-will purposes.
- B. Coins are to be used primarily for non-monetary awards under the Government Employees Incentive Awards Act or for purposes intended to promote or educate Veterans on specific services, such as the Veterans Crisis Line. These types of coins must pertain to mission-critical functions and have a clear connection with the Department’s mission of providing benefits and services to Veterans. Coins used for non-monetary awards may only be 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. Previously the purchase of coins required VA Chief of Staff approval. However, as the purchase of coins has become more common place, that authority has now been designated to the Under Secretary, Assistant Secretary or Other Key Official within each Administration or Staff Office. [See Appendix F DOA to Approve Use of the Official Seal.](#)
- D. While there is no set legal limit to the expense allowed on these items, the minimal intrinsic value concept should be considered along with a “rule of thumb” that suggests that requesting offices and 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).
- E. Personalization - Coins may not be engraved with an individual’s name, with the exception of the Secretary to avoid obsolescence and allow the individual’s successor to present unused coins.
- F. Any office seeking authority to purchase coins must prepare a memo seeking approval to do so from the appropriate Under Secretary, Assistant Secretary or Other Key Official. The memo must specify:
- The coins’ mission-critical related purpose;
 - Potential recipients; and
 - Estimated cost.

- G. Related DoD practice, laws, and statutes pertaining to challenge coins are inapplicable to VA.
- H. Written approval must be obtained in advance of any coin purchase.
- I. Documentation of the approval to purchase coins must be retained for audit purposes.
- J. Coin requests, processes, approvals and costs are subject to disclosure under the Freedom of Information Act (FOIA).

040504 Food or Refreshments

- A. Generally, using Government funds to purchase food or refreshments for either Government personnel at their normal duty stations 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 \(Jan. 27, 2003\)](#). Food may be provided to employees on a reimbursable basis when in travel status according to the given *per diem* at their travel site(s).
 - While the general rule is that appropriated funds are not available for entertainment, including food for employees and non-employees, there are specific statutory exceptions such as, the General Post Fund, a federal trust account under 31 U.S.C. § 1321(45), which may be used to fund events for Volunteers to foster recognition and retention see Decision of the Comptroller General, B-152331, Nov. 19, 1975. See also VA Directive 4721 General Post Fund—Gifts & Donations, Aug 13, 2018, for additional guidance.
 - Unless authorized by law or under special exceptions or circumstances, food, refreshments, and bottled water are considered personal expenses not payable with appropriated funds, cf. Matter of: Occupational Safety & Health Review Commission—Refreshments for a Combined Federal Campaign Event, B-325023, Jul. 11, 2014: food is a personal expense; Matter of: Availability of Appropriations for Reimbursements for Health Insurance, B-323449, Aug. 14, 2012: personal expenses not payable with appropriated funds. A personal expense benefits the Employee as opposed to the Agency, cf. Matter of: Department of Commerce—Disposable Cups, Plates, and Cutlery, B-326021, Dec. 23, 2014.; To warrant an exception, an agency must demonstrate the benefit of an expense to the government, advancing a government function or mission aside from the collateral benefit to an individual

- B. The Comptroller General has held that appropriations are not available to serve coffee or other refreshments as a “necessary expense” to either employees or private individuals at regular business meetings. Refer to [To Anne M. Crugnale, Internal Revenue Service, B-163764, May 17, 1968.](#)

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

- Event planning;
 - Conferences absent the exceptions described in this chapter;
 - Workgroups at employees’ normal duty stations;
 - Task forces;
 - Political meetings (including those with elected officials.) Only the Secretary may expend discretionary funds from his Reception & Representation or Pershing Hall accounts; and
 - Community partnership.
- C. Employees or working groups may use or pool personal resources to pay for coffee, tea, or refreshments at routine meetings or functions.
- D. Bottled Water: Despite its popularity, bottled water is a personal expense, not payable with appropriated funds unless there is no immediate source of potable water onsite in the workplace, or, absent a clear necessity or emergency, cf. *Richard J. Hirn*, B-327147 (Aug. 6, 2015); *United States Department of the Navy, Naval Undersea Warfare Center Division, Newport, Rhode Island v. Federal Labor Relations Authority*, 665 F.3d 1339 (D.C. App. 2012); *Matter of: Department of the Army, Aberdeen Proving Ground—Use of Appropriated Funds for Bottled Water*, B-324781, Dec. 17, 2013; *Matter of: Department of the Army, Military Surface Deployment and Distribution Command—Use of Appropriations for Bottled Water*, B-318588 (Sept. 29, 2009); *Clarence Maddox: Relief of Liability for Improper Payments for Bottled Water*, B-303920, Mar. 21, 2006.

040505 Special Circumstances Authorization for Food or Refreshments

- A. 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. If a contract is required or already involved, contact a contracting officer for your organization.

1. **Conferences** - Purchasing refreshments or meals at government-sponsored conferences with appropriated funds is generally prohibited unless:
 - The refreshments or meals are integral parts of the given conference such that the attendees' failure to partake will result in a less than complete participation in or understanding of the conference purpose. See National Institutes of Health: Food at Government-Sponsored Conferences, B-300826, Mar. 3, 2005. Ice-breakers, mixers, or purely social functions do not qualify. See below for meal expense and deduction requirement.
 - Meals and refreshments are incidental to the conference, (2) attendance at the meals and when refreshments are provided are important for the host agency to ensure full participation in essential discussions, lectures, or speeches concerning the purpose of the conference, and (3) the meals and refreshments are part of a formal conference that includes not just the meals and refreshments and discussions, speeches, 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." The expenses must be included as incidental and non-separable from registration or attendance fees. See below for meal expense and deduction requirement.
 - Light refreshments and meals may only be provided for attendees that are in a travel status. Local employees can only be reimbursed if specifically authorized 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. See below for meal expense and deduction requirement.

If food or refreshments will be provided as part of the conference, expenses should be kept under the allowable per diem for the area in which the training event is being conducted. Any meal (e.g., breakfast, luncheon, dinner, buffet) provided will be deducted from the employee's travel per diem allowance.

2. **Award Ceremonies** - Under the Government Employees' Incentive Awards Act (GEIAA, 5 U.S.C. §§ 4101~4109), 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.)

3. **Training/Training Events** - Under the Government Employees Training Act, 5 U.S.C. §§ 4101~4109 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. The “training session” must be more than a working session” or regular meeting to discuss routine agency business. See [5 U.S.C. § 4101\(4\)](#) for descriptions of training/training events.
- 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 [Matter of: Corps of Engineers—Use of Appropriated Funds to Pay for Meals, B-249795, May 12, 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. The Department can accept gifts or donations of food/refreshments under specific parameters. See VA Handbook 4721 for additional guidance.
 - VA may furnish meals to guest speakers who are Government employees as a legitimate training expense under 5 U.S.C. § 4109 (GETA, *supra*) as a necessary incident to the aforesaid training. See *To Sally N. Cross, Department of Agriculture*, B-165235, Oct. 4, 1968. See also *NIH—Food at Government-Sponsored Conferences*, B-300826.
 - The key is the proven need to achieve conference objectives and whether the refreshments are integral parts of the program. 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 food or refreshments will be provided as part of the training event, expenses should be kept under the allowable per diem for the area in which the training event is being conducted. Any meal provided will be deducted from the employee’s travel per diem allowance.

4. **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 provides samples of the food of the culture and is being offered as part of the larger program to serve an educational function and is not a replacement for an entire meal. See Refer to *Matter of: U.S. Army Corps of Engineers, North Atlantic Division—Food for a Cultural Awareness Program*, B-301184, Jan. 15, 2004, and cases therein.

This exception has not been applied to serve food or refreshments to employees with disabilities during “National Disability Employment Awareness Month,” since GAO holds that the differently-abled do not share common cultural heritages. Regardless, an agency may expend appropriated funds to honor outstanding contributions or achievements differently-abled employees have made. See *Matter of: U.S. Army Corps of Engineers, North Atlantic Division—Food for a Cultural Awareness Program*, B-301184, Jan. 15, 2004.

5. **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 and cannot be broken out or separated from that cost, see *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*, B281063, Dec. 1, 1999. Several caveats should be observed:
 - Such meetings or conferences will not be scheduled at an outside facility simply to provide food or refreshments to attendees; and
 - The rental fee will not be negotiated with the condition precedent that food be furnished and then be rolled into the overall cost to appear it is being offered at no extra charge.
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 such 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 and then only when determined to be necessary and appropriate. Refer to *Matter of: Veterans Benefits Administration—Refreshments for Focus Groups*, B-304718, Nov. 9, 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: William Perkette—Lodging Expenses at Permanent Duty Station*, B-247907, Aug. 20, 1992; *Matter of: FBI Payment for the Refreshments during Organized Crime Investigation*, B-234813, Nov. 9, 1989;

Matter of: Meals for Attendees at Internal Government Meetings, B-230576, Aug. 14, 1989; also, *To the Postmaster General*, B-149717, Sept. 5, 1962. An employee may not take it upon himself to buy food and expect the Government to reimburse him/her as a voluntary creditor.

Inclement weather is not enough to substantiate an exception. Refer to [Matter of: Nancy Blustein—Lodging Expenses at Headquarters](#), B-231149, Nov. 7, 1988; also [Matter of: Sandra Bradshaw-Lodging and Meal Expenses at Headquarters](#), B-226403, May 19, 1987 (1987);; and

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 providing the meeting fits the foregoing parameters](#).
 - If a separate charge is made for meals, the government may pay for the meals if 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. See *National Institutes of Health—Food at Government-Sponsored Conferences*, B-300826, Mar. 3, 2005. Absent such a showing, the government may not pay for the meals. Comp. *Decision of the Comptroller General*, B-154912, Aug. 26, 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](#) authorizes agencies to incur meeting attendance expenses generally applies only to meetings sponsored by non-governmental organizations, the Comptroller General has extended § 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.
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, - 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. **Gifts, Donations, General Post Fund (GPF)** established by Congress as a federal trust fund under 31 U.S.C. § 1321(45) to hold either donated funds or funds derived from liquidated donations. See VA Directive 4721 *General Post Fund—Gifts & Donations*, Aug. 13, 2018 for official agency policy regarding the General Post Fund, its uses, practices, and agency gift/donation policies and uses. **It is critical to note that the GPF is not a rainy-day fund, slush fund, or a replacement for appropriated funds.**

[38 U.S.C. § 8301](#) allows the Secretary or his delegate to augment the agency's appropriated funds through the ability to accept gifts, bequests, and devises that would help Veterans, VA medical/domiciliary facilities, the Secretary's carrying out of the laws he administers, and that would enhance his ability to provide services and benefits. The Secretary delegated his 38 U.S.C. § 8301 gift acceptance authority to Under Secretaries, Assistant Secretaries, and Other Key Officials via Memorandum dated September 5, 2005. Note: a gift can be cash, services, in-kind, personalty, realty, or testamentary. Donations for specific purposes, sites, or programs go into specific/restricted/directed accounts, and donations for general purposes or installations go into general GPF accounts.

- The GPF general accounts may permit expenditures 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 donation to the agency is any gift, bequest, devise, or donation the Department receives. If the donor has specified the donation be used for the exclusive benefit of patients or members at a particular VA facility, or for which the donor designated a specific use for the donation; such would go into a specific/restricted/directed 8180(S) account to be used only for that purpose.
- [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:

- Recognition ceremonies for VA Voluntary Service volunteers. See *Matter of: Veterans Administration—Use of General Post Funds for Volunteer Dinner*, B-152331, Nov. 19, 1975.;
- VA-Very Special Arts Program receptions and festivals;
- Receptions at the VA National Veterans Recreation Therapy Events; and
- 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.
 - Medical center directors may also accept monies to pay for in-kind donations of food or refreshments to support these events.
 - 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.

12. 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., in-patient meals, therapy involving food preparation, and food or refreshments for blood donors.

1. **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. The Secretary may also access the Pershing Hall Fund for similar purposes.

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.

13. **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.

14. **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 D. 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 E)

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 1B, 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 Awards 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. *Principles of Federal Appropriations Law*, Vol. 1, 3d ed., Ch. IV “Availability of Funds,” pp. 4-21, GAO-04-261SP *Appropriations Law—Vol. I*. When applying the necessary expense rule, an expenditure can be justified after meeting a three-part test:

- The expenditure must bear a logical relationship to the appropriation sought to be charged and make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available. See *Matter of: Expenditures by the Department of Veterans Affairs Medical Center, Oklahoma City, OK*, B-247563.3, Apr. 5, 1996 and *Matter of: Food*

& Drug Admin—Use of Appropriations for ‘No Red Tape’ Buttons and Mementoes, B-257488, Nov. 6, 1995.

- The expenditure must not be prohibited by law.
- The expenditure must not be otherwise provided for, that is, it must not be an item that falls within the scope of some other appropriation or statutory funding scheme. *E.g., The Honorable Bill Alexander, House of Representatives*, B-213147, June 22, 1984; *Decision of General Counsel Socolar*, B-230304, March 18, 1988. Not every expenditure must be specified in an appropriations act, cf. *Matter of: Availability of Appropriations for Reimbursements for Health Insurance Expenses*, B-323449, Aug. 14, 2012.

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](#)).

- 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.
- Expenses – VA may include food or refreshments, 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 from the appropriate official 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; Veterans Health Administration; and	Respective Under Secretary

Organization	Approving Official
National Cemetery Administration	
Board of Veterans' Appeals	Chairman of the Board of Veterans' Appeals
Office of General Counsel	General Counsel
Staff Offices	Respective Assistant Secretary and Other Key Officials

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:
 - 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).

- VA will ensure expenses for swearing-in ceremonies are directly related to the ceremony and not to post-ceremony receptions (which are personal expenses).
- 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. Ch. 45, Incentive Awards \(Government Employees Incentive Awards Act, GEIAA\)](#)

[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](#)

[31 U.S.C. § 1321\(45\)](#)

[38 U.S.C. § 8301](#)

[To the Secretary of Agriculture, B-140417, Aug. 19, 1959.](#)

[National Institutes of Health—Food at Government-Sponsored Conferences, B-300826, Mar. 3, 2005.](#)

[41 C.F.R. § 301-74.21](#)

In the matter of the availability of funds for printing invitations to Coast Guard change of command ceremony, B-186998, Nov. 9, 1976. Traditional ceremonies include necessary expenses incidental to ceremonies.

Matter of: Refreshments at Awards Ceremony, B-223319, July 21, 1986.

Matter of: United States Army School of the Americas—Use of Official Representation Funds, B-236816, Feb. 8, 1990. Change-of-Command ceremony an official function, not social, making use of reception funds licit.

Matter of: Career Service Awards Program, B-236040, Oct. 9, 1990—employees attending Federal Executive Board regional awards ceremony costs and related expenses reimbursable.

Matter of: EPA Purchase of Buttons & Magnets, B-247686, Dec. 30, 1992—giveaway items inscribed with messages related to agency mission(s) a proper use of appropriated funds.

Decision of the Comptroller General, B-145430, May 9, 1961—Restaurant meals may be provided for volunteers working at clinics not located at hospitals with food services when their assignments extend over standard meal periods.

MATTER OF: Uniformed Services University of the Health Sciences—Payment for academic regalia, invitations, and announcements used in annual graduation ceremony, B-211700, Mar. 16, 1984—necessary expenses incident to traditional ceremonies payable out of appropriated funds, but not personal expenses.

Veterans Administration—Use of General Post Funds for Volunteer Dinner, B-152331, Nov. 19, 1975—Agency's broad authority to use General Post Funds to benefit patients and members extended to cover Volunteer recognition dinner to reward, attract, and maintain volunteers contributing valuable services to Veterans and the agency.

Matter of: Expenditures by the Department of Veterans Affairs Medical Center, Oklahoma City, Oklahoma (II), B-247563.4, Dec. 11, 1996. Medical care appropriation not authorized to pay for employee breakfast; food cannot be purchased for employees at their normal duty stations unless part of an employee recognition/awards program or similar exception to the rule.

Matter of: Food & Drug Administration—Use of Appropriations for “No Red Tape” Buttons and Mementoes, B-257488, Nov. 6, 1995—appropriated funds could be used to pay for giveaways that promoted employee efficiency, effectiveness, and streamlined customer service.

Matter of: Defense Reutilization and Marketing Service Awards Ceremonies, B-270327, Mar. 12, 1997-- Lunch vouchers for employees attending worldwide DRMS

[awards ceremonies payable with appropriated funds consistent with GEIAA regulations and travel regulations.](#)

[Matter of: Bureau of Indian Affairs, Great Plains Regional Office, Incentive Awards Ceremony, B-288536, Nov. 19, 2001—Appropriated funds available to pay reasonable expenses for refreshments and buffet lunch for annual Incentive Awards Ceremony under Government Employees’ Incentives Awards Act \(GEIAA, *op cit.*\).](#)

[Matter of: U.S. Army Garrison Ansbach—Use of Appropriated Funds to Purchase Food for Participants in Antiterrorism Exercises, B-37423, Mar.9, 2009—Appropriated funds can be used to pay for food for federal civilian employees, military members, and non-federal participants in anti-terrorism training exercises where the food is necessary for civilian and military participants to obtain the full benefit of the training exercise. Funds may also be expended to buy food for non-federal participants and host nation first responders to ensure the realism of a simulated emergency training exercise.](#)

[Matter of: Corps of Engineers—Use of Appropriated Funds to Pay for Meals, B-249795, May 12, 1993—Appropriated funds not available to pay for food or refreshments at routine/regular business meetings.](#)

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

[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, Dec. 1, 1999—Agency may pay facility rental that included food where the fee is all inclusive, food was not negotiated, and was priced competitively with facilities not offering food for an agency training workshop.](#)

[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](#)

[Matter of: FBI Payment for Refreshments during Organized Crime Investigation, B-234813, Nov. 9, 1989—Coffee and doughnuts could not be purchased with](#)

appropriated funds for agents preparing to execute search warrants since no imminent danger to human life or property was presented (routine/regular duty).

Matter of: Army-Food served at luncheon honoring handicapped employees, B-219265, Aug. 26, 1985—Handicapped do not present a common ethnicity or culture paralleling EEO awareness training.

Matter of: Ruth J. Ruby-Claim for Luncheon Cost at Training Conference, B-219177, Dec. 19, 1985—Employee at her normal duty station speaking at agency training program could have her luncheon paid for since the meal was incidental to the training and necessary for full participation.

Matter of: Sandra Bradshaw-Lodging and Meal Expenses at Headquarters, B-226403, May 19, 1987—Employee not entitled to reimbursement for room rental near office during inclement weather to complete a project with high importance. No emergency involving the potential loss of human life or loss of property was presented.

Matter of: Secret Service agents' meal expenses while on 24-hour-a-day protective duty, B-202104, Jul. 2, 1981—Food may not be provided during employees' routine duty at their normal duty station.

Matter of: U.S. Army Corps of Engineers, North Atlantic Division -- Food for a Cultural Awareness Program, B-301184, January 15, 2004—EEO events can include samplings of food to demonstrate ethnic or cultural issues, but not complete meal replacements.

Decision of the Comptroller General, B-198471, Mar. 18, 1981—Absent exception or emergency involving risk of loss of life or property, appropriated funds cannot be used to pay for lodging or meals for headquarters employees at their normal duty stations.

Decision of the Comptroller General—To B-154912, Aug. 26, 1964—Food or meal costs are at a conference at an employee's home area are only payable if (A) they are incidental to the conference and necessary for full participation where he could not take meals elsewhere or get the full benefit of the conference without partaking, or (B) the meals were included in the registration fee and could not be parsed out.

Office of Financial Policy Publications Library

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)

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

Executive Order 13589, Promoting Efficient Spending, November 9, 2011.

[Public Law 102-86, § 403 \(d\)\(6\), Pershing Hall Fund](#)

[To Sally N. Cross, Department of Agriculture, B-165235, Oct. 4, 1968—Meals may be furnished to non-Government employee speakers at Government-sponsored conferences when the cost of the meals would be authorized under 5 U.S.C. § 4109 and the seminar business was \(a\) conducted during mealtime and \(b\) required attendance of agency employees.](#)

VA Chief of Staff Memorandum, “Promoting Efficient Spending: Extraneous Promotional Items”, March 19, 2012 (see Appendix B)

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

[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 \(see Appendix D\)](#)

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

[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](#)

[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 Rescissions

Volume II – Chapter 4, Awards, Ceremonies, Food or Refreshments, Gifts or Mementos, April 2016 and all related Appendices (including the OGC Whitepaper on Coins and the VA Secretary Memo for the Chief of Staff “Delegation of Authority to Sign on Behalf of the Secretary”).

0408 Questions

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

VHA	VHA CFO Accounting Policy (10A3A) (Outlook)
VBA	VAVBAWAS/CO/OPERATIONS (Outlook)
NCA	NCA Finance Group (Outlook)
All Others	OFP Accounting Policy (Outlook)

Appendix A: Frequently Asked Questions (FAQs)

Q: Can food be purchased for employees attending award ceremonies?

A: In general 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\(1963\)](#). However, there are exceptions to this prohibition outlined in section [040505 Special Circumstances Authorizing Expenditures for Food or Refreshments and Approval Requirements](#). Finally, keep in mind that should the total cost exceed \$30 per person or the ceremony cost exceed \$10,000, senior level SES approval is required. Under the Government Employee Incentive & Awards Act (GEIAA, *supra*), refreshments can be funded and served for employee recognition ceremonies but the focus for such events must be employee recognition.

Q: Are non-monetary awards taxable?

A: Yes, a non-monetary award must be valued at under \$100, or it is considered taxable.

Q: Where does the award funding come from?

A: 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.

Q: Can gifts or mementos be presented to members of the general public?

A: 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.

Q: Can food or refreshments be purchased for cultural events?

A: 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. Food offered as a full meal replacement, e.g., lunch, would not be allowed. A group presenting a cultural awareness event must be recognized as a distinct ethnic group with some shared commonalities.

Appendix B: VA Chief of Staff Memo, Promoting Efficient Spending

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 C: VA Chief of Staff Memo For Food/Refreshments/Gifts/Mementos

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.

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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 D: VCS Policy Director's Promotional Fund



VETERANS CANTEEN SERVICE (VCS)
CENTRAL OFFICE

POLICY DIRECTIVE: 12-01

August 29, 2012

OPR: FC

SUBJECT VCS Director's Promotional Fund

- I. **Purpose and Applicability:** This Policy prescribes general guidelines and instructions for the creation and use of expenditures from the VCS Director's Promotional Fund.
- II. **References:** None.
- III. **Policy:**
 1. **Promotional Funds, in general**
 - 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.

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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

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(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

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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.

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- 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.

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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:** VCSCO 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 [Back to Section IV.2.a](#) VCS Policy Directive 12-01
 Attachment 1

**VETERANS CANTEEN SERVICE (VCS) PROMOTIONAL ACCOUNT
 REQUEST FOR FUNDS**

Date: **Canteen #**

From: **Promo Fund: Directors VISN CBOC Other**
 (choose one)

Subj: Request for VCS Promotional Funds **Promo Check #** (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:
Note: Cash will not be given prior to an event.
- 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 **authorized** / **not authorized** IAW VCS Policy Directive 12-01:

Signature (VAMC/VISN/VBA/OPC Director (or designee)) _____
Date

Signature (Canteen Chief) _____
Date

****If request exceeds \$500, or outside services are requested in excess of \$100, VCSCO approval is required.**

Signature (VCSCO Approving Official) _____
Date

****Electronic signatures are acceptable. Please attach any electronic approvals to this form for submission to the Finance Center.**

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Attachment 2

VETERANS CANTEEN SERVICE
DIRECTOR'S PROMOTIONAL FUND CHECK

####

Canteen # and Location _____
Date _____

Event Description: _____
Requested By: _____

Amount: _____
Balance: _____

Chief Canteen Service Director

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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.

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

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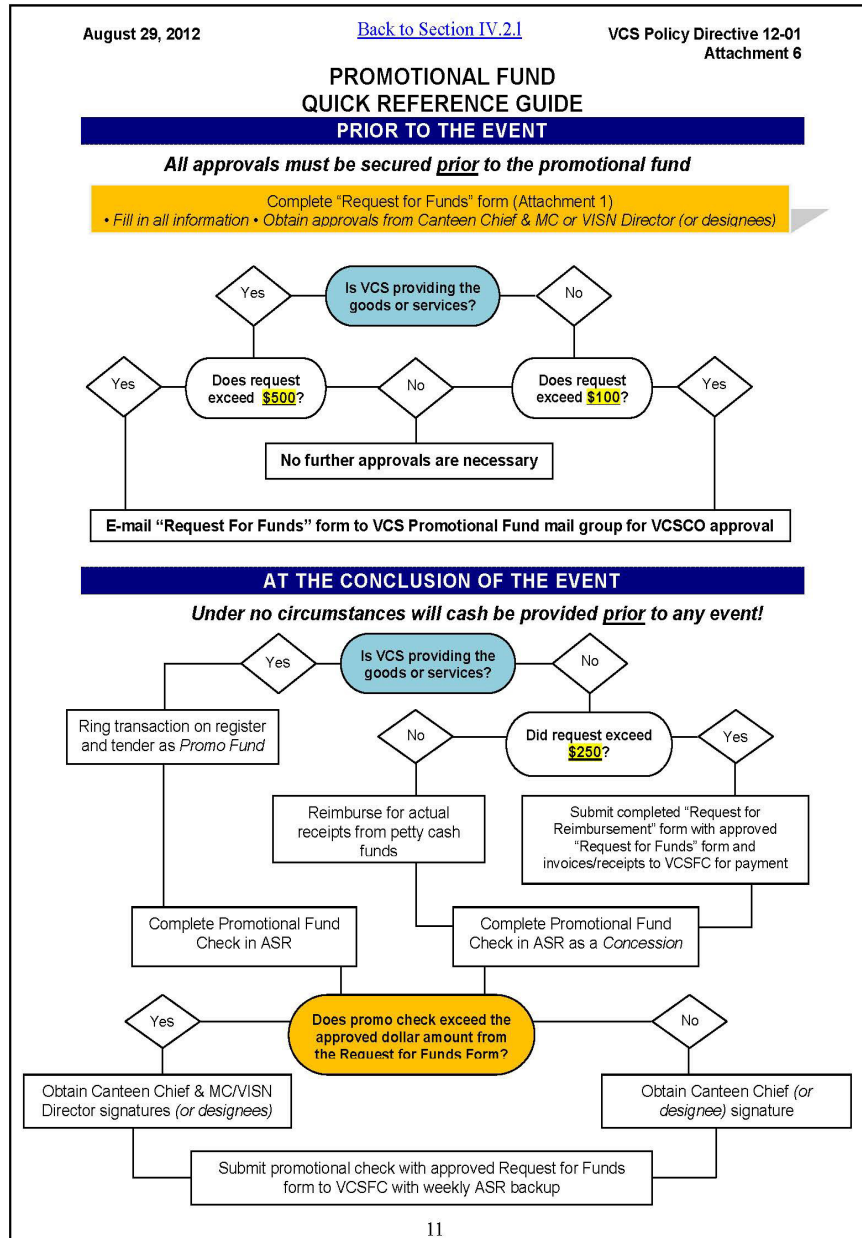
VCS Policy Directive 12-01
Attachment 5

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 E: VCS Memorandum, “Use of VCS Promotional Funds”

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).

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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 with any questions regarding the VCS Promo fund policy.



Janet P. Murphy, MBA

Appendix F: DOA to Approve Use of the Official Seal



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

March 23, 2022

MEMORANDUM FOR UNDER SECRETARIES, ASSISTANT SECRETARIES AND OTHER KEY OFFICIALS

SUBJECT: Designation of Authority to Approve the Use of the Official Seal,
Replicas, Reproductions and Embossed Seals (VIEWS 6734333)

1. DESIGNATION. Under the authority vested in me as Secretary of the Department of Veterans Affairs (VA) and pursuant to 38 C.F.R. § 1.9, the following individuals are designated with authority to affix the official VA seal, replicas, reproductions and embossed seals to challenge coins in accordance with the authorities below: the Under Secretaries, Assistant Secretaries and Other Key Officials of equivalent authority.

2. AUTHORITIES.

- a. [38 C.F.R. § 1.9](#), Description, use and display of VA seal and flag;
- b. [VA Directive 0000](#), Designation of Authority;
- c. [VA Directive 0023](#), Tier 1 Graphic Standards;
- d. [VA Handbook 0023](#), Tier 1 Graphic Standards, Appendix A; and
- e. [VA Financial Policy, Volume II, Chapter 4](#).

3. RESTRICTIONS. Authority to approve the use of the official seal for any purpose other than challenge coins is excluded from this designation of authority and remains under the authority of the Secretary of Veterans Affairs.

4. REDESIGNATION. No further designation is authorized.

5. EFFECTIVE DATE. This designation is effective upon signature and remains in effect for four years unless otherwise modified or rescinded by me at an earlier date.

A handwritten signature in black ink, appearing to read "DMcD", written over a faint circular stamp.

Denis McDonough