

## 6 FAM 520 PRINCIPAL OFFICER RESPONSIBILITIES

*(CT:GS-168; 05-17-2012)*  
*(Office of Origin: A/OPR/CR)*

### 6 FAM 521 DETERMINING NEED

*(CT:GS-168; 05-17-2012)*  
*(Uniform State/USAID/Commerce/Agriculture)*

- a. The principal officer at each post, after appropriate consultation with heads of other agencies at post, *determines* the need for, and the economic feasibility of, the establishment of an employee association. He or she will also periodically review the continuing need for existing facilities.
- b. *Do not establish commissaries*, food services, and recreation facilities in localities where another U.S. agency operates similar services or facilities unless there is a compelling reason to do so and the principal officer of the post approves.

### 6 FAM 522 MONITORING ASSOCIATION ACTIVITIES

*(CT:GS-168; 05-17-2012)*  
*(Uniform State/USAID/Commerce/Agriculture)*

The principal officer *or his or her designee*, *must monitor* the activities of the employee association and *certify* that its operations are managed prudently and in accordance with these *regulations*. To assist in fulfilling this responsibility, the principal officer, or designee *must have* a nonvoting seat on the association's board of directors (see 6 FAM 554).

### 6 FAM 523 RELATIONS WITH HOST GOVERNMENT AND LOCAL COMMUNITY

*(CT:GS-160; 09-24-2009)*  
*(Uniform State/USAID/Commerce/Agriculture)*

The principal officer must ensure that the employee association's activities and facilities do not adversely affect public relations with the citizens and officials of the host country; that they do not cause financial embarrassment in the local business community; and that local customs and labor laws are not violated.

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## **6 FAM 524 LOGISTICAL SUPPORT**

*(CT:GS-162; 01-25-2011)*

*(Uniform State/USAID/Commerce/Agriculture)*

- a. The principal officer may provide to the employee association supplies, equipment, utilities, properties, space for its facilities and services, customs clearance, local transportation, and other services on a reimbursable or nonreimbursable basis.
- b. In determining whether or not any charges or fees for U.S. Government facilities and services made available to the association should be assessed, the principal officer should take into consideration the cost incurred by the U.S. Government in providing such facilities and services, and the profits derived by the association from activities involving the use of such U.S. Government facilities and services. The U.S. Government should not unduly subsidize employee associations. For example, U.S. Government-owned facilities may be provided to an association rent-free but some percentage of the cost of leased facilities made available to the association generally should be reimbursed by the association. In general, the principal officer should not lease facilities using appropriated funds where the facilities are for the exclusive use of the association unless otherwise provided by law (e.g., day-care facilities) or by extraordinary compelling circumstances. The principal officer must obtain authorization from the bureau executive director, as well as the Bureau of Overseas Buildings Operations (OBO), prior to the disbursement of funds for this purpose. The cost of utilities such as electricity, water, telephone, and heating/cooling service should be reimbursed to the post. Guard services and other services, if any, that are exclusively provided for an association facility should be reimbursed. Direct costs of equipment such as typewriters, office furnishings, air conditioners, refrigerators, and freezers should be reimbursed if reasonable and possible under local conditions. The employee association should contribute to the cost of modification and repair of U.S. Government-provided facilities that are for the exclusive use of association-sponsored activities as reasonable under the circumstances. A record of disposal of surplus or excess material to an association on a nonreimbursable basis should be maintained by the post.

## **6 FAM 525 LOCATION ON U.S. GOVERNMENT PROPERTY**

*(CT:GS-168; 05-17-2012)*

*(Uniform State/USAID/Commerce/Agriculture)*

- a. The principal officer *must* ensure that employee association facilities, whenever feasible, are located on U.S. Government-held property. The principal officer or designee and the chairperson of the board of directors must document the use

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of space made available to the employee association and other logistical support provided. These terms *must* be stated in a license agreement and must conform to the format provided by the Commissary and Recreation Staff (*A/OPR/CR*). *See 6 FAM Exhibit 525, Model License Agreement for Employee Associations.* Association-installed physical structures on U.S. Government premises *become* the property of the U.S. Government at the expiration of the term specified in written permission issued by the principal officer, or sooner, in the event of liquidation of the association or discontinuance of its use for the purpose approved.

- b. If it is necessary for the facilities to be located on property not held by the U.S. Government, select an inconspicuous place. Posts should refrain from advertising the existence of the facilities through media available to the general public, whether in the form of signs, brochures, or other methods.
- c. License agreements must be submitted to *A/OPR/CR* for review and approval.

## **6 FAM 526 LOCATION ON U.S. GOVERNMENT-OWNED OR -LEASED TDY QUARTERS**

*(CT:GS-168; 05-17-2012)*

*(Uniform State/USAID/Commerce/Agriculture)*

- a. The principal officer may make U.S. Government-owned or -leased TDY quarters available to the employee association for management thereof, only after having received the Bureau of Overseas Buildings Operations (OBO) approval to establish TDY quarters (see 15 FAM 249 and 15 FAM 249.2). The principal officer or designee and the chairperson of the board of directors must document the use of space made available to the employee association for the operation of TDY quarters. These terms will be stated in a license agreement and must conform to the format provided by the Commissary and Recreation Affairs Staff (*A/OPR/CR*). *See 6 FAM Exhibit 526, Model License Agreement for Employee Association managed TDY Quarters. You must submit license agreements to A/OPR/ CR for review and approval.*
- b. Employee associations are responsible for establishing room rates based on the size of the unit and number of occupants. Rates must be the same for all U.S. Government employees. Rates must also be within the lodging portion of the prevailing per diem for the locality and competitive with local hotels. U.S. Government employees must be given priority placement.
- c. All funds necessary for the management, maintenance, and operation of the property will be paid out of revenue derived from the room rentals. In addition, employee associations must establish a reserve from rental revenue to cover the replacement of furniture and equipment related to the rooms.
- d. Employee associations may retain a management fee no greater than 15 percent of the gross revenue for its management of the rooms.

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- e. Once all expenses (including the reserve fund and management fee) have been met, any remaining proceeds from the room rental must be deposited to the following OBO accounts.

U.S. Government-owned TDY quarters:	Appropriation X05350004
U.S. Government-leased TDY quarters:	Appropriation X05350003
U.S. Government-owned or -leased TDY quarters:	Allotment 1030, Obligation 1030+Y+Property ID, Function 7480, Revenue Source Code AAAQ

- f. In the event an employee association operates TDY quarters which it directly owns or leases, post will have no involvement in operating or maintaining the units, nor must any requirement be placed on U.S. Government employees to occupy them.

## **6 FAM 527 PROHIBITION ON GAMBLING**

*(CT:GS-168; 05-17-2012)*  
*(Uniform State/USAID/Commerce/Agriculture)*

Federal Property Management Regulation 42 CFR 102-74.395 prohibits gambling by providing:

“(a) Except for the vending or exchange of chances by licensed blind operators of vending facilities for any lottery set forth in a State law and authorized by section 2(a)(5) of the Randolph-Sheppard Act (20 U.S.C. 107 et seq.), all persons entering in or on Federal property are prohibited from—

- (1) Participating in games for money or other personal property;
- (2) Operating gambling devices;
- (3) Conducting a lottery or pool; or
- (4) Selling or purchasing numbers tickets.

(b) This provision is not intended to prohibit prize drawings for personal property at otherwise permitted functions on Federal property, provided that the game or drawing does not constitute gambling per se. Gambling per se means a game of chance where the participant risks something of value for the chance to gain or win a prize.”

## **6 FAM 528 AND 529 UNASSIGNED**

*(CT:GS-160; 09-24-2009)*

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**6 FAM Exhibit 525**  
**MODEL LICENSE AGREEMENT FOR EMPLOYEE ASSOCIATIONS**

*(CT:GS-160; 09-24-2009)*  
*(Uniform State/USAID/Commerce/Agriculture)*

**REVOCABLE LICENSE AGREEMENT**

**between**

**THE GOVERNMENT OF THE UNITED STATES OF AMERICA**

**through**

**THE U.S. DEPARTMENT OF STATE OF THE UNITED STATES OF AMERICA**

**and**

**(Name of the Association, City, Country)**

1. This license agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_, by and between the United States of America, acting by \_\_\_\_\_ (name), \_\_\_\_\_ (title), hereinafter called the Licensors and \_\_\_\_\_ (name of association), acting by \_\_\_\_\_ (name), \_\_\_\_\_ (title), hereinafter called the Licensee:

WITNESSETH: The parties hereto, for the considerations hereinafter mentioned, agree as follows:

2. The Licensors, the owner of certain property in the city of \_\_\_\_\_ in the country of \_\_\_\_\_, described as \_\_\_\_\_, (enter a complete description of the property to include property identification numbers and/or room numbers) hereinafter referred to as "the property", which is not presently needed for the current operations of the Licensors, does hereby license the said Licensee to use the property until advised by the Licensors that the property is needed by the Licensors by giving 90 days notice. Upon receipt of such notice, the Licensee shall vacate the property and remove all of its possessions therefrom within 90 days following receipt of notice to vacate.

3. This agreement may be terminated by either party, the Licensors or the Licensee, upon written notice to the other party. The party wishing to terminate the agreement shall give 90 days notice of intent to terminate.

4. In payment for the use of the property, the Licensee shall pay the Licensors \_\_\_\_\_ (enter amount to be paid), so long as the Licensee shall use or occupy the property, \_\_\_\_\_, (state sum for each time period), in advance,

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effective \_\_\_\_\_, payable in \_\_\_\_\_ (name of currency) at the prevailing rate of exchange on the day on which each payment is made. The first payment being due \_\_\_\_\_, and subsequent payments at the following times: \_\_\_\_\_. In the event the Licensee vacates the property before the expiration of a month for which advance payment has been made, pro rata proportion (or no portion) of the advance payment shall be returned to the Licensee.

5. The Licensee is prohibited from making any alterations to the property without the express prior written consent of the Licensor.

6. All maintenance and non-structural repairs shall be made at the expense of the Licensee and, in the case of substituted materials or equipment of a different type or make from the original premises, with the consent of the Licensor.

7. The Licensee (Licensor) undertakes to furnish utilities to the property. (NOTE: This undertaking would vary depending on the space utilized and services operated. See 6 FAM 524. If the Licensor furnishes utilities to the property, specify if/how costs are to be reimbursed.).

8. The Licensee shall return the property in the same good condition in which it was received, usual wear and tear and damages beyond the Licensee's control excepted.

9. The Licensee agrees that the property shall not be used for any illegal or immoral purpose, nor for gambling. The Licensee further agrees to take into account in this connection the fact that the Government of the United States of America owns/leases the property.

10. The Licensee shall hold the USG free and harmless from any and all demands, losses, or liabilities resulting from the injury to or death of any person or the damage of any nature to any item of equipment because of the negligence of the Licensee or the condition of the property at any time after the date possession is delivered to the Licensee. The Licensee shall further indemnify the Licensor for any and all claims arising out of the usage of this site as covered by this license agreement.

11. The Licensee undertakes to keep the property in a clean and tidy state, including upkeep of lawns and shrubs, and to maintain those sidewalks and approaches peculiarly within the Licensee's control in proper condition and free of

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debris, snow and ice, and to accept all responsibility in connection therewith, as well as to maintain properly all halls and stairways or other conveniences intended for the sole use of the Licensee, its agents and employees, and the public; the Licensee accepts full and sole responsibility for any claim arising in connection with damage sustained through the use of such halls, approaches, stairways and conveniences.

12. Any stamp duties required for this license agreement shall be paid by the Licensee and the English version of this license agreement is required for the interpretation thereof.

IN WITNESS WHEREOF, the parties hereunto have affixed their hands and seals as of the date written above.

(Name of the Association), Acting By:

\_\_\_\_\_  
(Name and Title) Licensee

The United States of America, Acting By:

\_\_\_\_\_  
(Name and Title) Licensor

**6 FAM Exhibit 526  
MODEL LICENSE AGREEMENT FOR EMPLOYEE  
ASSOCIATION MANAGED TDY QUARTERS**

*(CT:GS-160; 09-24-2009)  
(Uniform State/USAID/Commerce/Agriculture)*

**REVOCABLE LICENSE AGREEMENT  
between  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
through  
THE U.S. DEPARTMENT OF STATE OF THE UNITED STATES OF AMERICA**

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**and**  
**(Name of the Association, City, Country)**

1. This license agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_, by and between the United States of America, acting by \_\_\_\_\_ (name), \_\_\_\_\_ (title), hereinafter called the Licensor and \_\_\_\_\_ (name of association), acting by \_\_\_\_\_ (name), \_\_\_\_\_ (title), hereinafter called the Licensee:

WITNESSETH: The parties hereto, for the considerations hereinafter mentioned, agree as follows:

2. The Licensor, the owner of certain property in the city of \_\_\_\_\_ in the country of \_\_\_\_\_, described as \_\_\_\_\_, (enter a complete description of the property to include property identification numbers and/or room numbers) hereinafter referred to as "the property", which is not presently needed for the current operations of the Licensor, does hereby license the said Licensee to use the property until advised by the Licensor that the property is needed by the Licensor by giving 90 days notice. Upon receipt of such notice, the Licensee shall vacate the property and remove all of its possessions therefrom within 90 days following receipt of notice to vacate.

3. This agreement may be terminated by either party, the Licensor or the Licensee, upon written notice to the other party. The party wishing to terminate the agreement shall give 90 days notice of intent to terminate.

4. The Licensee is prohibited from making any alterations to the property without the express prior written consent of the Licensor.

5. With exclusive to regard to properties (please describe property pertaining to TDY quarters), the Licensee agrees to manage the property in accordance with Department of State policy pertaining to the use of USG owned or leased TDY quarters. Specifically, the Licensee will be responsible for establishing room rates based on the size of the apartment and number of occupants, as well as collection of the fees due from the occupant(s). Established rates will be the same for all USG personnel to include TDY employees. Rates will be within the lodging portion of the prevailing USG per diem for the locality and will also be competitive with local hotels. USG employees will be given priority placement. All funds necessary for the management, maintenance, and operation of the property will be paid out of revenue derived from the room rentals. This includes, but is not limited to, expenses for salary and benefits, telephone/fax service, insurance, cleaning and

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laundry, leased costs (if any), and expendable supplies. The Licensee shall establish a reserve to cover the replacement of furniture and equipment. The Licensee shall maintain records of collections received and expenditures made in connection with the management of the property. The Licensee shall fully reimburse post for the cost in using the property. In return for managing the property and once all expenditures are satisfied and a reserve fund is established, the Licensee shall retain (state percentage here – up to 15%) percent of the gross income derived from the property as a management fee. The Licensee will present the Licensor any remaining proceeds (less management fee, expenses and reserve fund) received from the operation to be deposited to the M/OBO appropriations account.

6. All maintenance and non-structural repairs shall be made at the expense of the Licensee and, in the case of substituted materials or equipment of a different type or make from the original premises, with the consent of the Licensor.

7. The Licensee (Licensor) undertakes to furnish utilities to the property. (Note: If the Licensor furnishes utilities to the property, specify how costs are to be reimbursed.).

8. The Licensee shall return the property in the same good condition in which it was received, usual wear and tear and damages beyond the Licensee's control excepted.

9. The Licensee agrees that the property shall not be used for any illegal or immoral purpose, nor for gambling. The Licensee further agrees to take into account in this connection the fact that the Government of the United States of America owns/leases the property.

10. The Licensee shall hold the USG free and harmless from any and all demands, losses, or liabilities resulting from the injury to or death of any person or the damage of any nature to any item of equipment because of the negligence of the Licensee or the condition of the property at any time after the date possession is delivered to the Licensee. The Licensee shall further indemnify the Licensor for any and all claims arising out of the usage of this site as covered by this license agreement.

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debris, snow and ice, and to accept all responsibility in connection therewith, as well as to maintain properly all halls and stairways or other conveniences intended for the sole use of the Licensee, its agents and employees, and the public; the Licensee accepts full and sole responsibility for any claim arising in connection with damage sustained through the use of such halls, approaches, stairways and conveniences.

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IN WITNESS WHEREOF, the parties hereunto have affixed their hands and seals as of the date written above.

(Name of the Association), Acting By:

\_\_\_\_\_ Licensee  
(Name and Title)

The United States of America, Acting By:

\_\_\_\_\_ Licensor  
(Name and Title)