

## 4 FAH-3 H-360 ACCOMMODATION EXCHANGE

*(CT:FMP-31; 07-01-2005)*  
*(Office of Origin: RM/FPRA/FPMC)*

### 4 FAH-3 H-361 GENERAL PROVISIONS AND GUIDELINES

#### 4 FAH-3 H-361.1 General Provisions

##### 4 FAH-3 H-361.1-1 Purpose and Authorities

*(CT:FMP-31; 07-01-2005)*

- a. This subchapter contains the Department of State's regulations concerning accommodation exchange, which are applicable to all posts.*
- b. The authorities pertaining to accommodation exchange are contained in 4 FAM 360.*

##### 4 FAH-3 H-361.1-2 Definitions

*(CT:FMP-31; 07-01-2005)*

**Accommodation Exchange Transaction** - *The authorized exchange of equivalent monetary values in different forms to authorized persons; for example, foreign currency in exchange for U.S. dollar check(s).*

**Chief of Mission (COM)** - *Chief of Mission as defined in the Foreign Service Act of 1980, and principal officers at posts not subject to the administrative jurisdiction of another post (see 1 FAM 013.2 a).*

**Eligible Family Members (EFM)** - *As defined in 3 FAM 7121 and 6 FAM 113.3, children who are unmarried and under 21 years of age or, regardless of age, are incapable of self-support. The term shall include, in addition to natural offspring, stepchildren and adopted children and those under legal guardianship of the employee or the spouse when such children are expected to be under legal guardianship at least until they reach 21 years of age and when dependent upon and normally residing with the guardian. For*

*purposes of this subchapter, eligible family member is the term used in lieu of "dependent" as referred to in 31 U.S.C. 3342.*

**Foreign Exchange** – *The system by which one currency is exchanged for another. This enables international transactions to take place.*

**Prevailing rate** - The most favorable rate that would be legally available to the U.S. Government for the acquisition of foreign currency for its official disbursements and accommodation exchange transactions.

**Reverse Accommodation Exchange** - The exchange of local currency for U.S. dollars.

**Sponsor** – *As required by 31 U.S.C. 3342, for the purpose of this subchapter, sponsor includes those categories of personnel and contractors as listed in 4 FAH-3 H-362.1-1 (1) through (4).*

## **4 FAH-3 H-361.2 Guidelines for Authorizing Accommodation Exchange**

*(CT:FMP-31; 07-01-2005)*

- a. The *Chief of Mission should* determine whether accommodation exchange services will be provided at the post. The *Chief of Mission* considers the availability of U.S.-owned foreign currency in the country and satisfactory local banking *and/or automatic teller machine (ATM)* facilities for obtaining the currency before determining if these services by the Class B cashiers should be authorized. *Periodically RM/GFS/S/DO will request that the post revalidate its rationale for providing accommodation exchange.*
- b. The *Chief of Mission* takes into consideration the following when determining if accommodation exchange services by the *Class B cashiers* should be authorized.
  - (1) Individuals are required to obtain their foreign exchange through regular commercial banking facilities, *ATMs, or currency exchange businesses* if such facilities are adequate, *secure*, and convenient, and arrangements can be made for the cashing of U.S. Treasury checks and personal checks. An exception may be made for newly arrived permanent personnel, and temporary personnel (*e.g., employees on TDY or VIP visits*) whose stay is not of such duration to warrant setting up personal banking arrangements.
  - (2) When satisfactory local commercial banking facilities, *ATMs or*

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*currency exchange businesses* are available for the purchase of U.S. dollars with foreign currency, personnel should normally be required to use these facilities.

- c. *Having the Class B cashier provide accommodation exchange increases the amount of the cashier advance and creates a greater risk of the cashier receiving an uncollectible check. If post wishes to provide accommodation exchange on-site and local conditions permit, the post should pursue having a commercial bank, rather than the cashier, provide this service.*

## **4 FAH-3 H-361.3 Scope of Transactions**

### **4 FAH-3 H-361.3-1 Authorized Transactions**

*(CT:FMP-31; 07-01-2005)*

- a. When authorized *by the Chief of Mission, the Class B* cashiers can conduct all types of accommodation exchange described *in this subchapter*. This accommodation exchange service is not a substitute for private banking. Transactions that can be handled through an individual's private bank or through a private banking service located at the embassy should not be authorized *(e.g., paying employees' personal bills through the cashier's operation, purchase of a privately owned vehicle, purchase of a residence)*.
- b. *The Class B* cashiers are authorized to pay out foreign currency in exchange for U.S. currency and U.S. dollar instruments, as well as in exchange for foreign currency checks drawn by the U.S. disbursing officer (USDO) on official checking accounts. *The Class B* cashiers may perform other accommodation exchange transactions only with special written authorization from the financial management officer (*FMO*) in conjunction with the USDO, such as conversion from one local currency to a different local currency. (See *Cashier User Guide (CUG) Chapter 5.3* for special procedures.)

### **4 FAH-3 H-361.3-2 Compliance With Laws and Regulations**

*(CT:FMP-31; 07-01-2005)*

Whenever accommodation exchange services are established, the *Chief of Mission* or designee takes actions necessary to assure that all accommodation exchange is performed in full compliance with U.S. Government and host government laws and regulations; and that all

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American Government personnel are familiar with the provisions in 3 FAM 4123 and 22 CFR 10.735-206, Economic and Financial Activities of Employees Abroad. The *Chief of Mission* has the authority to require all U.S. Government employees to obtain their foreign currency through U.S. Government facilities when the *Chief of Mission* deems it necessary in order to assure full compliance.

#### 4 FAH-3 H-361.3-3 Cashing Negotiable Instruments

(CT:FMP-31; 07-01-2005)

- a. In consultation with the servicing USDO, the *financial management officer (FMO) or the management officer will* set a per check or per day limit on the amount of foreign currency *that* can be purchased from the *Class B* cashier. Normally, *this limit will be not more than \$500, with a minimum check amount of \$50. Checks are cashed if the presenter is eligible for accommodation exchange in accordance with 4 FAH-3 H-362.1-1.*
- b. Checks may be cashed for other U.S. citizens who have been previously designated as having official business with the embassy, such as *Congressional* and *Congressional staff delegations*, only when approved by the *Chief of Mission* or other designated official. Designations of such individuals are normally included in telegrams or other official communications from the Department, other agencies, or other embassies.
- c. Dollar checks must be drawn on banks or branches located in the United States, made payable through a U.S. bank.
- d. Before cashing checks for accommodation exchange, *the Class B* cashiers must apply the same tests as for all check cashing, such as current dates, drawer's permanent address, endorsements, identification, and the other requirements of the *Cashier User Guide (CUG) Chapter 5.4*. Details of identification are entered on Form DS-1694, Exchange Transaction Record. *Automated cashiering system users enter the details in the description field of the accommodation exchange screen* to enable USDOs or cashiers to locate and communicate with individuals at a later date if necessary (see 4 FAH-3 H-366.1).
- e. Checks originally accepted for accommodation exchange that are uncollectible are handled in accordance with *CUG Chapter 8.1*.

#### 4 FAH-3 H-361.3-4 Office Hours for Accommodation Exchange

*(TL:FMP-2; 04-30-1995)*

Accommodation exchange facilities are provided in a convenient manner to benefit all authorized persons. The office hours for all public transactions, including accommodation exchange, are described in 4 FAH-3 H-399.4. For employees located at distances from any present exchange facility, the most feasible arrangements should be made to provide accommodation exchange.

## **4 FAH-3 H-362 SALE OF FOREIGN CURRENCY**

### **4 FAH-3 H-362.1 Persons or Entities for Whom Accommodation Exchange Transactions are Authorized**

#### **4 FAH-3 H-362.1-1 Eligible Individuals**

*(CT:FMP-31; 07-01-2005)*

When the *Chief of Mission* has authorized accommodation exchange transactions, foreign currency may be paid out for:

- a. U.S. dollars in the form of checks, drafts, bills of exchange, other instruments payable in U.S. dollars, and cash; and
- b. In the same currency in which drawn, foreign currency checks drawn by USDOs on official depository accounts for the accommodation of the following:
  - (1) Civilian employees of the U.S. Government who are U.S. citizens, including direct hire, contract and those under a *U.S. Agency for International Development* participating agency service agreement;
  - (2) Members of the Armed Forces of the United States, when facilities are not available through military channels;
  - (3) Contractors and subcontractors who are U.S. firms or citizens engaged on U.S. Government projects in foreign countries, and the personnel of such contractors who are U.S. citizens;
  - (4) U.S. citizen personnel of authorized U.S. non-governmental organizations operating with agencies of the U.S. Government;
  - (5) *Eligible family members* of individuals (*sponsors*) listed in items (1)

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through (4) under the following conditions:

- (a) When the *eligible family member* who is a U. S. citizen presents a U.S. Treasury check payable to the presenter; and
  - (b) When the *eligible family member* holds a valid power of attorney *or has a Joint Account with the eligible employee*. The “Power of Attorney for Accommodation Exchange” in the *CUG Chapter 5* is the suggested format for this purpose. However, any other valid power of attorney may be accepted if it contains substantially the same provisions.
- (6) *Eligible family members* of individuals listed in items (1) through (3) without powers of attorney, at safe haven posts to which ordered in an emergency evacuation, upon presentation of proper identification, up to a maximum of *\$4,000* during the first month following evacuation and *\$800* thereafter for all *eligible family members* of *any one* person in any month;
- (7) Third-country nationals (TCN) employed as civilian employees or under contracts of the U.S. Government or contractors or subcontractors who are U.S. firms engaged in U.S. Government projects in foreign countries; provided, that the checks presented by the third-country nationals are U.S. Treasury dollar checks or U.S. dollar checks issued by the contractors to the third-country national *cashing* the check (*TCN is defined in 3 FAM 7270*);
- (8) U.S. citizen personnel of commissary, recreation, and mess facilities operated for post personnel; and
- (9) Certain U.S. organizations or organizations sponsored by the U.S. Government where such exchanges:
  - (a) Do not violate local government currency law;
  - (b) Promote the interest of the U.S. Government abroad;
  - (c) Do not adversely impact or impair the operations of the Embassy; and
  - (d) Are approved by the Department of State.

An example would be to provide accommodation exchange to American schools to assist them in purchasing books and other supplies not available in the country.

## **4 FAH-3 H-362.1-2 Cashing U.S. Treasury Checks Only**

*(CT:FMP-31; 07-01-2005)*

Foreign currency may be paid out for U.S. dollar Treasury checks in countries where local commercial banks charge excessive fees in exchange transactions or unreasonably delay credit of deposits to personal accounts, when presented by the person to whose order drawn, for the accommodation of:

- (1) Any U.S. citizen;
- (2) Retired Foreign National employees of the U.S. Government when the Treasury checks cover payments of Civil Service annuities; or
- (3) Local employees who have received U.S. Federal income tax refunds.

## **4 FAH-3 H-362.2 All Other Local Currency Requirements**

*(CT:FMP-31; 07-01-2005)*

In addition to covering the personal requirements of all authorized personnel, these *accommodation exchange policies and procedures* apply to all other local currency requirements arising out of contractor and voluntary agency activities covered by the pertinent contract or agreement with, or approved by, the United States.

## **4 FAH-3 H-363 SALE OF UNITED STATES CURRENCY**

*(CT:FMP-31; 07-01-2005)*

The sale of U.S. currency (i.e., cash) is regulated and limited in availability. Such U.S. currency may be sold for U.S. dollar negotiable instruments only in such amounts as may be required within locally established currency regulations, for the accommodation of U.S. citizen employees and other persons authorized accommodation exchange privileges under 4 FAH-3 H-362.1-1, for the following purposes:

- (1) For travel outside the country; *and*
- (2) When required to make cash purchases at authorized U.S.

Government facilities such as commissaries, snack bars, and theaters.

## 4 FAH-3 H-364 PURCHASE OF FOREIGN CURRENCY

### 4 FAH-3 H-364.1 General Provisions

*(CT:FMP-31; 07-01-2005)*

Foreign currency "*cash*" may be purchased or repurchased by the *Class B* cashier from persons to whom it was previously sold, upon departure from post only, in accordance with the provisions of this section. The purchase of such foreign currency is prohibited if the currency was acquired in violation of the Department's policy governing business activities of personnel and their *eligible family members* (see 3 FAM 4123 and *CUG Chapter 5.2, Accommodation Exchange*).

### 4 FAH-3 H-364.2 Authorized Purchases of Foreign Currencies

#### 4 FAH-3 H-364.2-1 From U.S. Government Employees

*(CT:FMP-31; 07-01-2005)*

Foreign currency may be purchased from civilian employees of the U.S. Government who are U.S. citizens, and members of the Armed Forces of the United States, only when the person is departing the post on transfer or home leave.

##### a. Departure on Transfer.

- (1) Purchase Without Advance Approval - The maximum amount that can be purchased by the USDO or *the Class B* cashier without requiring documentation from a person who is departing on transfer is the sum of the employee's salary and allowances as paid on the biweekly payroll for two biweekly pay periods.
- (2) Purchase Requiring Advance Approval - Foreign currency in excess of *the limit noted in paragraph (1)* may be purchased from a person upon receipt of a written application *that* has been approved in writing by the *Chief of Mission* or designee, subject to the

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limitations of 4 FAH-3 H-364.3 a and 4 FAH-3 H-364.4. (*See also Cashier User Guide, Chapter 5.2.*) An application from personnel of agencies other than State must also be approved individually in writing by the highest ranking officer of the agency concerned, or *his or her* designee. The letter of application is addressed to the *Chief of Mission*, and includes the following items:

- (a) The amount of local currency in excess of the biweekly pay and allowances limit;
  - (b) The employee's anticipated departure date;
  - (c) A complete description of the source of the currency;
  - (d) A declaration that none of the currency was acquired in violation of local agency regulations or exchange control laws of the country concerned; *and*
  - (e) A request for approval to sell the local currency to the USDO.
- (3) Any foreign currency obtained from the sale of personal property is separately controlled by the provisions of 4 FAH-3 H-368. *The Class B cashier can purchase such currency* only with the approval of *the Chief of Mission or his or her designee for Department of State employees and also by heads of other agency for non-Department of State employees. The financial management officer (FMO), on behalf of the approving officials,* should consult with the servicing USDO about the approval of large exchange transactions, e.g., proceeds derived from the sale of employees' personal property, *that could exceed local currency needs.*

b. Departure on Home Leave.

The purchase of foreign currency from a direct hire U.S. Government employee departing the post on home leave and return to the post is limited to the amount of any local currency acquired from the sale of personal property that the person plans to replace while on home leave subject to 4 FAH-3 H-368 *provisions.*

## **4 FAH-3 H-364.2-2 From Eligible Family Members of U.S. Government Employees**

*(CT:FMP-31; 07-01-2005)*

Foreign currency may be purchased from the primary *eligible family member*

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of a U.S. Government employee cited in 4 FAH-3 H-364.2-1a under the same conditions, when:

- (1) The employee has died while assigned to the post;
- (2) The employee has preceded *his or her eligible family members* in departure from the post, to the extent the employee has not used the privilege, i.e., the authorization in 4 FAH-3 H-364.2-1 (a) becomes a family authorization; or
- (3) The *eligible family member* resides at other than the employee's duty station under separate maintenance allowance provisions. This does not affect the employee's authorization at *his* or *her* duty station.

#### **4 FAH-3 H-364.2-3 From Contractors and Third Country National (TCN) Personnel**

*(CT:FMP-31; 07-01-2005)*

- a. Foreign currency may be purchased from TCN personnel; and from U.S. citizen personnel of contractors and subcontractors in U.S. firms or citizens engaged in government projects in the country, subject to the check limitations in 4 FAH-3 H-362.1-1 g, and provided the individual was assigned to the country for a period of at least 12 months and the individual is permanently leaving the country. The *management officer* at post may *waive* the 12-month requirement without the approval of *RM/FPRA/FPMC* when the employment qualifying the individual or firm is curtailed by the U.S. Government.
- b. The policy governing conversion of foreign currency from the sale of individual personal property and the disposition of the proceeds is the same for persons in this category as for U.S. Government employees to the extent that such persons enjoy the diplomatic importation or tax privileges because of their contractual or employment relationship to the U.S. Government. (See 4 FAH-3 H-368.)

#### **4 FAH-3 H-364.2-4 From Other Individuals**

*(TL:FMP-2; 04-30-1995)*

The purchase of foreign currency from individuals other than as authorized in 4 FAH-3 H-364.2-1 through 3 above is prohibited except that such currency may be repurchased from individuals to whom sold as authorized in 4 FAH-3 H-364.3.

## 4 FAH-3 H-364.3 Repurchases of Foreign Currency

(CT:FMP-31; 07-01-2005)

- a. Foreign currency may be repurchased from any person who acquired foreign currency from the disbursing facility as cited in 4 FAH-3 H-362.1-1, provided:
  - (1) The person is permanently leaving the country; and
  - (2) The amount being repurchased is reasonable in view of the original purchase, duration of time spent in the country, and normal living expenses. The “reasonable” amount for persons who were temporarily or permanently domiciled in the country, such as personnel of non-government agencies, may in no case exceed the basic amount authorized in 4 FAH-3 H-364.2-1 a, i.e., the sum of the individual’s salary and allowances for two biweekly pay periods. The USDO, authorized *Class B* cashier or financial management officer may require a satisfactory written explanation before purchasing the foreign currency when it is believed that the amount submitted for repurchase is questionable.
- b. The foreign currency may be purchased by the *Class B* cashier with U.S. dollar Treasury checks(s), cash and/or *EFT*. The amount of cash *that* may be issued is limited to the estimated requirements of the person and *eligible family members*:
  - (1) For travel to the United States or new post, provided that the exportation of U.S. cash is not prohibited or limited by local law; or
  - (2) For local purchases under 4 FAH-3 H-363.
- c. The foreign currency is to be acquired at the USDO’s prevailing rate.

## 4 FAH-3 H-364.4 Limitation/Restrictions on Foreign Exchange Purchases

(CT:FMP-31; 07-01-2005)

- a. *Foreign currency purchases are* subject to *the following* limitations set by the Treasury Department to curtail exchange losses to the U.S. Government.
  - (1) Disbursing officers will ensure that the amount of foreign currency purchased with U.S. dollars is commensurate with immediate

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disbursing requirements. If foreign currency can be readily obtained, the disbursing officer should purchase an amount which, together with the checkbook balance on hand at time of purchase, would not exceed estimated requirements for the ensuing 5 to 7 days. If foreign currency is not readily available, the purchase should be in an amount not exceeding that required for the ensuing seven days. Exceptions may be approved only by Treasury. (See *1 TFM 4-9045.20.*)

(2) As a result of this limitation, the disbursing officer should establish with each serviced post any necessary guidelines and controls on currency purchases and collections made by the post, in order to prevent unduly large balances. This may include a requirement for the post to consult the USDO on major purchases or collections of foreign currency, such as that resulting from large proceeds of sales by employees, as detailed in 4 FAH-3 H-368.

b. Purchase of foreign currency authorized by 4 FAH-3 H-364.2-1 a(2) derived from the sale of an individual's personal property is restricted to the provisions of 22 CFR Part 136 and Section 4 FAH-3 H-368. This purchase is in addition to the purchase of currency equivalent to two biweekly pay periods of salary and allowances authorized in 4 FAH-3 H-364.2-1 a(1).

## **4 FAH-3 H-365 SPECIAL EXCHANGE ACTIVITIES**

### **4 FAH-3 H-365.1 Sale of Local Currency to Military Disbursing Officers and Cashiers**

*(CT:FMP-31; 07-01-2005)*

Military disbursing officers and cashiers must purchase their local currency from the USDO *or other U.S. Government sources* whenever it is beneficial to the U.S. Government, e.g., a better exchange rate is obtained through combined bulk buying of local currency. Military disbursing officers and cashiers may purchase their local currency from the USDO if the physical location or simplicity of the transaction makes this a preferred method. Where there is no advantage in buying local currency from the USDO, the purchase is made through local banking facilities.

## **4 FAH-3 H-365.2 Transactions in Support of Binational Organizations**

*(TL:FMP-2; 04-30-1995)*

The USDO may acquire foreign currency from local organizations and institutions participating in U.S. Government sponsored binational programs. The purchase must be at the prevailing rate, must not contravene local currency laws, and must be for conversion to a U.S. Treasury dollar check to pay certain U.S. dollar obligations. In countries where local banking practices permit organizations to maintain U.S. dollar accounts, use of commercial banking facilities should be encouraged. Purchase of foreign currency from foreign national individuals of those organizations is prohibited.

## **4 FAH-3 H-366 RECORDING ACCOMMODATION AND OFFICIAL EXCHANGE TRANSACTIONS**

### **4 FAH-3 H-366.1 Exchange Transactions Record**

*(CT:FMP-31; 07-01-2005)*

- a. *Authorized Class B cashiers maintain* a complete record of all check cashing and exchange transactions, official as well as accommodation, on Form DS-1694, Exchange Transaction Record. The record serves to identify persons using the facility and to identify negotiable instruments in cases of loss in transit or return due to insufficient funds (*see Cashier User Guide, Chapter 5.5*).
- b. Separate records are maintained for dollars and for each kind of foreign currency at posts dealing in more than one foreign currency.

### **4 FAH-3 H-366.2 Exchange Transactions Voucher**

*(CT:FMP-31; 07-01-2005)*

Exchange transactions are *summarized* on Form OF-234, Exchange Transactions Voucher, by type of exchange performed (see *Cashier User Guide, Chapter 5.6*).

## **4 FAH-3 H-366.3 Accountability Record**

*(CT:FMP-31; 07-01-2005)*

Amounts recorded as receipts and payments on Forms DS-1694, Exchange Transaction Record, and OF-234, Exchange Transactions Voucher, are totaled and posted to the *cashier's* accountability record.

## **4 FAH-3 H-367 INQUIRIES**

*(CT:FMP-31; 07-01-2005)*

General questions and guidance concerning the application of the above policy and regulations should be addressed to *RM/FPRA/FPMC*. Specific questions or guidance concerning issues such as foreign currency exchange, foreign banking and international agreements related to foreign currency for the Department and other agencies should be addressed to *RM/GFS/S/DO*.

## **4 FAH-3 H-368 DISPOSITION OF EMPLOYEES' PERSONAL PROPERTY OVERSEAS AND CONVERSION OF PROCEEDS**

### **4 FAH-3 H-368.1 Purpose and Authorities**

*(CT:FMP-31; 07-01-2005)*

- a. The disposition of employees' personal property overseas often results in a request for conversion of proceeds from local currency to U.S. dollars. Therefore, guidance related to disposition of personal property is included in this subchapter.*
- b. Title III of the State Department Basic Authorities Act (22 U.S.C. 4341 - 4343) is the legislation covering disposition of employees' personal property overseas. Regulations implementing this statute are published in 22 CFR 136.*

### **4 FAH-3 H-368.2 Employees' Personal Property Sales Abroad**

*(CT:FMP-31; 07-01-2005)*

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- a. Personnel under the authority of a Chief of Mission may sell their personal property with prior permission under controlled conditions before departure from post on transfer or home leave orders. Profits cannot be retained from the sale of *personal property* having more than minimal value to individuals who do not have customs or sales tax exemption status.
- b. The post procedure must provide control over all sales of personal property, whether or not a reverse accommodation exchange will be made. Post check-out procedures for departing employees should show that sales have been reported or that the employee certified no sales were made.
- c. Detailed guidance is contained in the CFR for the mandatory post procedure required by the *regulations*. To *ensure* that the intent of the *regulations* is followed, the post procedure should include at least the three essential steps described below. A sample three page form which can be adapted at post to record these steps and provide an official audit trail for both the post and the employee is contained in 4 FAH-3 Exhibit H-368.2. Although the post may adapt this form to local use, the exact language for the statements and certifications by employees and by authorizing officers must appear in any post version of the form.
- d. Although the term “employees” is used throughout the material that follows, the procedures apply equally to contractors who enjoy importation or tax privileges because of their contractual relationship with the U.S. Government as provided in 22 CFR Section 136.6. *Also, for purposes of this section, the term “personal property” is not intended to include assets that may have been acquired as a result of a family member’s business activities at the overseas location.*
  - (1) **Approval to sell based on the employee’s list of proposed sale items and estimated sales prices.** The authorizing officer *must* determine that the sale will meet the Chief of Mission’s criteria for employees’ personal property sales at that post. (See 4 FAH-3 Exhibit H-368.2 Schedule A.)
  - (2) **Report of items sold, proceeds and profits.** The employee *must* report the items sold, with amounts collected and resulting profits. Following the post procedure guidelines, the employee designates charitable recipients and amounts for the profits *that* cannot be retained, and certifies the completeness and accuracy of the entries. The authorizing officer *must* verify the amounts and proposed distribution of profits in accordance with post guidelines and approves the request for payments to designated recipients

and the employee. (See 4 FAH-3 Exhibit H-368.2 Schedule B.)

- (3) **Reverse accommodation exchange of proceeds.** The employee deposits local currency proceeds (approved in step 2 above) with the *Class B* cashier, who prepares the reverse accommodation exchange voucher for the authorized certifying officer. The form summarizing the entire set of approved sale transactions becomes an official record to back up the certified exchange voucher and to assist the employee's tax reporting purposes. (See 4 FAH-3 Exhibit H-368.2 Schedules A and B.)

## 4 FAH-3 H-368.3 Number and Timing of Reverse Accommodation Exchanges

*(CT:FMP-31; 07-01-2005)*

The post procedure will specify the number and timing of authorized currency conversions of sales proceeds that may be made for the employee. This is normally not more than two: one for sale of a privately owned vehicle, and one for all other proceeds. These conversions may be made in addition to the conversion of the two biweekly pay periods of local currency conversion authorized in 4 FAH-3 H-364.2-1 a (1). *The post procedure should also specify that larger reverse accommodation exchange transactions should be made by EFT or check rather than cash.*

## 4 FAH-3 H-368.4 Post Procedure File

*(CT:FMP-31; 07-01-2005)*

A copy of the post procedure covering disposition of employees' personal property *should* be sent by the post management officer *to* the regional bureau *post management officer* when first issued and whenever revised. *Department personnel refer to this copy* when the post requests guidance or interpretation of the 22 CFR 136.

## 4 FAH-3 H-369 UNASSIGNED

## 4 FAH-3 EXHIBIT H-368.2 SAMPLE MEMO

*(CT:FMP-31; 07-01-2005)*

TO: (Designated Authorizing Officer)  
FROM: (Individual Requesting Approval to Sell/Convert)  
SUBJECT: Approval to Sell and Convert Proceeds  
REFERENCE: (a) Post Reference; (b) 4 FAM 368; (c) 22 CFR 136

*In conformance with local law, U.S. law, State Department and post regulations,* approval is requested to sell and convert the proceeds from personal property sales. The attached Schedules A & B are submitted as official documents to record financial transactions resulting from the sale and to document the necessary approval confirming that all requirements are met.

This form records the sales in local currency units (LCU). When sales are in both dollars and local currency, separate forms are used, with one form to show dollars. The dollar entries from all Schedule B lines 5B & 7 are combined where a dollar check is due for the same payee.

The following definitions are used in submitting this form:

**COST BASIS**—Initial price paid (or market value if acquired by gift or inheritance), cost of inland/overseas transportation (if not U.S. *Government* reimbursed), shipping insurance, taxes, duties, customs fees, or other such charges, and capital improvements, but not for insurance on items in use or for storage maintenance, repair or related costs, or financing charges. I WILL PROVIDE EVIDENCE OF THESE COSTS IF REQUESTED BY THE APPROVING OFFICER.

**MINIMAL VALUE**—Acquisition cost in U.S. dollars (or retail value if by gift) is within the limit set by the Administrator of General Services Administration for “minimal value” of foreign gifts under 5 U.S.C. 7342. (See post policy or contact the Financial Management Officer or Administrative Counselor to determine the current limit set by GSA.)

**UNRETAINABLE GAIN (PROFIT NOT RETAINABLE)**—The profit amount

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is the sale price (Col 5) less the cost basis (Col 4). Whether an employee may retain profit is determined by the buyer status of exemption, Departmental guidelines and post regulations. If a sale of any item was to an exempt person or entity, or profit is otherwise retained, the amount is entered in Col 6, and the buyer's name and exempt status are shown in Col 7.

PROFIT VERIFICATION & REVERSE ACCOMMODATION EXCHANGE APPROVAL

(Schedule A & B)

\_\_\_\_\_The amounts and recipients of nonretainable profit and retainable proceeds have been verified and accepted, except for the following:\_\_\_\_\_

\_\_\_\_\_LCU amounts in Schedule B (Lines 5B & &) are approved for reverse accommodation exchange payable as shown: OR

\_\_\_\_\_Conversion of LCU and/or payment in dollars is limited by post regulations to the following allowed maximums: LCU converted:\_\_\_

\_\_\_\_\_Dollar Payment:\_\_\_

\_\_\_\_\_Other instructions to certifying officer:\_\_\_\_\_

\_\_\_\_\_Other comments for the audit file:\_\_\_\_\_

Authorizing Officer & Date:\_\_\_\_\_



Financial Management Procedures Handbook

**SCHEDULE B-DISPOSITION OF SALES PROCEEDS AND REQUEST FORM  
REVERSE ACCOMMODATION EXCHANGE**

Employee: _____ I request approval to convert proceeds from the sale into U.S. dollars as shown below. I certify that, to the best of my knowledge and belief, all of the statements made and documents submitted to support this request for approval for sale of personal property and conversion of proceeds into U.S. dollars, if applicable, are true, correct, complete, and are made in good faith. I understand that a false statement on any part of this request may be grounds for criminal prosecution including imprisonment for not more than five years or a fine of not more than \$10,000, or both, civil penalties and/or disciplinary action.																					
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1. Total</td> <td style="width: 40%;">: LCU proceeds collected</td> <td style="width: 20%;">(Schedule A, Col 5, Line 4)</td> <td style="width: 10%;">_____</td> <td style="width: 10%;">LCU</td> </tr> <tr> <td>2. Subtract</td> <td>: LCU profit not retainable by employee</td> <td>(Schedule A, Col 6, Line 4) -</td> <td>_____</td> <td>LCU</td> </tr> <tr> <td>3. Equals</td> <td>: LCU proceeds retainable by employee</td> <td>Line 1 minus 2 above =</td> <td>_____</td> <td>LCU</td> </tr> <tr> <td>4. Subject</td> <td>: LCU held out by employee for use before departure</td> <td>-</td> <td>_____</td> <td>LCU</td> </tr> </table>		1. Total	: LCU proceeds collected	(Schedule A, Col 5, Line 4)	_____	LCU	2. Subtract	: LCU profit not retainable by employee	(Schedule A, Col 6, Line 4) -	_____	LCU	3. Equals	: LCU proceeds retainable by employee	Line 1 minus 2 above =	_____	LCU	4. Subject	: LCU held out by employee for use before departure	-	_____	LCU
1. Total	: LCU proceeds collected	(Schedule A, Col 5, Line 4)	_____	LCU																	
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3. Equals	: LCU proceeds retainable by employee	Line 1 minus 2 above =	_____	LCU																	
4. Subject	: LCU held out by employee for use before departure	-	_____	LCU																	
<b>PROFIT NOT RETAINABLE</b>	<b>PROCEEDS RETAINABLE</b>																				
5A. Balance : LCU profit not retainable (Line 2 above _____ LCU 6A. Subtract : Profit donated to an approved recipient (receipt for donation is attached) _____ LCU 7. Balance : LCU remaining profit unretainable to be converted to a dollar check for donation to another receipt (Line 5A minus Line 6A above) _____ LCU 8. Convert : Prevailing Rate Dollar Check LCU _____ to \$1.00 \$ _____ Payee (Donee) _____ Address _____ _____ _____	5B. Balance : LCU retainable proceeds which can be converted by reverse accommodation exchange to a dollar check to employee (Line 3 minus Line 4 above) _____ LCU 6B. Convert : Prevailing Rate Dollar Check LCU _____ to \$1.00 \$ _____ Payee (employee) _____ Address _____ 9. Schedule B Verified Correct. Request Approval of Conversion of Items 6B and 8. Employee Signature/Date _____ 10. Conversions 6B and 8 Approved Except as Follows: _____ _____ Approving Officer: _____ Signature/Date _____																				

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