

# Entertainment Allowance (Missions) Guidelines

Guidelines of 20 December 2019, no. MINBUZA-2019.851088, on the payment of an entertainment allowance at representations of the Kingdom abroad (Entertainment Allowance (Missions) Guidelines)

## 1. Introduction

These guidelines relate to the allowance for entertainment costs ('entertainment allowance') incurred by employees posted from the Netherlands and local employees at representations of the Kingdom of the Netherlands abroad ('missions')

These costs are reimbursed in accordance with:

- article 3.38 of the supplementary collective labour agreement for central government staff posted abroad (*Aanvullende CAO Rijk Uitzendingen*; ACRU) for employees posted from the Netherlands; and
- article 4.24 of the Legal Status (Local Employees) Regulations 2020 (LSR 2020) for local employees.

## 2. Entertainment

### 2.1 General

#### Principles of the entertainment allowance guidelines

The purpose of the entertainment allowance is to enable local employees at the missions and employees posted to the missions to build up and maintain an external network of contacts relevant to their role. Practical purpose and external orientation are the key concepts behind the entertainment allowance. It is an important instrument for supporting the ministry's core tasks. It is not a fringe benefit.

The accounting rules for funds provided to cover entertainment costs must be strictly complied with. The public at large attach great importance to integrity with regard to government expenditure in this area.

The head of mission is responsible for the correct application of the entertainment allowance guidelines.

The head of mission may draw up a hospitality plan for the mission. The plan can include an indicative division of entertainment allowance funds between the mission's different sections or employees, taking into account the way in which those sections or employees are expected to fulfil the mission's core tasks. If standard amounts have been set, they can be included in the hospitality plan. Ideally, hospitality plans should be updated every year and made available to all employees at the mission.

#### What costs is the entertainment allowance intended to cover?

The entertainment allowance is intended for expenditure related to establishing and maintaining the mission's external network. The target group consists of five main categories:

- the diplomatic and consular corps
- local authorities (all levels)
- the private sector
- civil society
- visiting delegations.

The head of mission determines how the entertainment allowance guidelines are applied at a mission, taking into account the mission's core tasks.

#### What costs is the entertainment allowance not intended to cover?

With the exception of the activities referred to in section 2.2.3, employees posted from The Hague and local employees must themselves cover the costs of representational activities incurred by themselves or on their behalf, unless they are taking part in an activity attended by guests who fall into any of the five categories listed above.

Employees themselves must always cover costs relating to:

- gifts marking a colleague's birthday, departure or events in their private life or gifts for a colleague who is ill;
- the provision of refreshments for internal social functions.

Entertainment allowance funds are also not intended for activities like *Sinterklaas* celebrations for the Dutch community.

#### Target group

The target group for these guidelines comprises all employees at the missions (both employees posted from the Netherlands and local employees).

If it is necessary for the partner of a head of mission or another employee to engage in representational activities with a practical purpose either with or on behalf of that mission head or employee, the costs are eligible to be covered by the entertainment allowance. Employees in these instances can claim back costs incurred by their partner in the normal way.

## **2.2 Entertainment: person-specific and non-person-specific representational activities**

### **2.2.1 Person-specific entertainment**

Person-specific representational activities eligible for compensation from entertainment allowance funds include:

- a. The organisation of an event such as a reception, breakfast, lunch, cocktail party or dinner by an employee, provided the event has a practical purpose and is aimed at the mission's external associates (including visiting delegations from Dutch ministries, for example), with an appropriate balance between guests from the mission and guests from elsewhere. This includes the costs of:
  - food, beverages and snacks (taking account of local customs);
  - flowers and candles for lunches and dinners;
  - rental of tableware, glassware, cutlery and table linen for events such as receptions, breakfasts, lunches, cocktail parties and dinners;
  - cleaning table linen;
  - necessary items relating to representational activities such as firewood, cleaning products, dishwasher tablets, baking paper, toilet rolls, vacuum cleaner bags and paper napkins;
  - a cook and/or waiting staff engaged specifically for the occasion;
  - catering;
  - restaurant expenses;
  - invitations, business cards and place cards, including postage costs;
  - gratuities in line with local custom;
  - additional refuse collection following the event if regular refuse collection is not sufficient.
- b. An employee's participation in a representational activity or event such as a reception, breakfast, lunch, cocktail party or dinner, provided the event has a practical purpose and is organised by the mission's external associates. This primarily includes the costs of:
  - flowers and other token gifts for a host or hostess;
  - food and drink, if guests must pay for this themselves.
- c. The costs of:
  - contributions to local diplomatic and/or consular associations linked to the diplomatic or consular corps;
  - contributions to joint locally customary farewell gifts for associates at other diplomatic or consular missions;
  - contributions for joint representational activities, such as a banquet given periodically by the diplomatic corps for the head of state, prime minister or a minister.

### **2.2.2 Non-person-specific entertainment**

Non-person-specific representational activities eligible for compensation from entertainment allowance funds include:

- a. King's Day celebrations.

- b. Meetings with consuls-general and honorary consuls.
- c. Internal regional meetings approved by the ministry.
- d. Naval visits.
- e. All other special representational activities designated as such by the head of mission.
- f. The purchase of promotional gifts that do not bear the Holland logo. Promotional items and gifts bearing the Holland logo that will be used for local trade promotion activities can be charged to the Netherlands Enterprise Agency (RVO.nl) Promotional Activities Budget (BPA).

### 2.2.3 Events for employees

Costs relating to the following events for employees can be claimed from entertainment allowance funds:

- a. A *Sinterklaas* celebration, Christmas drinks party, New Year's reception or other (local) festivity, on the understanding that such an event can only be funded once a year. If the head of mission wishes to hold several such events with employees, the head of mission must cover the costs personally or employees must each pay their share.
- b. The cost of an annual one-day outing (without overnight stay).
- c. An internal leaving party for employees leaving the mission that year.
- d. The end of a long period of service on the part of an employee (for example, on account of retirement).
- e. The costs of a celebration marking an employee's long service. In this case, the 2017 ministry guidelines on entertainment costs can be followed:

<i>Years of service</i>	<i>Activity/Gift</i>	<i>Indicative amount</i>	<i>Other details</i>
12.5 years	Flowers	None	None
25 years	Drinks reception	15 euros p.p.	Section & partner
40 years	Drinks reception/dinner	50 euros p.p.	Section & partner

These amounts are indicative. The head of mission can increase or reduce them depending on local price levels and any special circumstances.

### 2.2.4 Standard amounts

Claiming standard amounts for representational activities held in the home is permitted only in exceptional circumstances, i.e. when entertaining is done in the home very frequently. In such cases, the following rules apply:

- At the proposal of the operational manager, the head of mission fixes the size and composition of the standard amounts each year on the basis of the actual costs incurred in the previous year or on the basis of price developments. Standard amounts (including underlying documentary evidence or a reference to the relevant file) are set out in a hospitality plan for the mission.
- Standard amounts should only include costs for food and beverages.
- The costs of engaging a cook and/or waiting staff can be claimed separately (see section 2.2). Random checks may be carried out on the composition and size of the standard allowances set by the head of mission.

### 2.3 Costs that do not qualify for the entertainment allowance

No entertainment allowance can be claimed for the following:

- the purchase or rental and maintenance of ceremonial and other dress and footwear – including dress mandated for the presentation of credentials or other official occasions – for employees and their partners, if the amount, quality or type differs from what it would be if the employee were posted in the Netherlands, and the additional costs resulting from wear and tear because of more frequent laundering and dry-cleaning and the impossibility of buying replacement clothes locally (in connection with the price, quality or available sizes);

- minor obligations of a social nature in line with local custom, such as those involving neighbours, landlords and colleagues;
- personal appearance (haircuts, beauty treatments, etc.);
- participation in and organisation of events that do not have a practical purpose and externally oriented character, such as events for mission employees, and lunches and dinners for mission employees (including costs of sandwiches, fruit and beverages);
- flowers or similar gifts when an employee leaves or joins the mission team;
- provision of fruit to employees;
- events for mission colleagues relating to the presentation of credentials;
- gifts relating to internationally observed days such as Secretaries' Day or International Women's Day);
- contributions considered customary in diplomatic circles, such as donations to charitable causes;
- gifts in connection with births, birthdays, marriages and departures of domestic staff or mission colleagues, food and drink for internal social activities, a Christmas/end-of-year bonus/gift/gratuity for concierges, refuse collectors, cleaners and other service staff that is in line with local custom;
- membership of associations considered beneficial for the performance of official duties, such as members' clubs, the Rotary Club, International Women's Clubs, international clubs, the *Nederlandse Vereniging*, golf clubs and tennis clubs.

This list of non-claimable indirect representation costs is not exhaustive. If in doubt, contact 3W/Advice.

## **2.4 Budget allocation, decision-making power and budget management**

Budgetary responsibility lies with the Deputy Secretary-General (the main budget holder) and the director of the Human Resources Department (HDPO) (the budget holder).

Each year in the annual plan instructions principal missions (i.e. embassies) are allocated an instruction budget for 'variable staff expenditure' (MBS 610000009). This expenditure includes the entertainment allowance, as well as funds for King's Day and official travel. The budgets for consulates-general and a number of permanent representations / missions / delegations are managed by an embassy (a principal mission). The embassies (principal missions) coordinate the division of funds and monitor the budget to prevent overspending.

## **3. Financial processing of expenditure**

### **3.1 Prepayments**

In exceptional circumstances and on an incidental basis (because of high expenditure linked to a single activity) a prepayment can be made for the representational activities referred to in section 2.2. Prepayments can only be made via bank transfer. Using the cash stock to make prepayments is not permitted. As a result of the time needed to transfer funds, prepayments must be requested in good time.

If an expense claim is submitted immediately after the activity has been completed, FSO-Missions will ensure the payment is made quickly. This means that, in many cases, a prepayment is not necessary.

### **3.2 Claiming expenses**

To claim expenses for representational activities, employees should use the standard expense claim template made available and managed by FSO-Missions. The employee must attach the guest list for the activity in question to the expense claim.

Under article 3.92 of the ACRU, expense claims must be submitted within six months of eligibility for the allowance or contribution arising, otherwise entitlement to the allowance ceases and any prepayments already made will be recovered.

Invoices for King's Day celebrations, the purchase of promotional gifts that do not bear the Holland logo and internal events for employees (section 2.2.3) should preferably be paid directly by FSO-Missions. Invoices must be submitted via SSP. It is not necessary to fill in an expense claim form in these cases.

After substantive and financial approval of the expense claim by the mission, it must be submitted (with the accompanying documentary evidence and guest list) via SSP to FSO-Missions for payment. FSO-Missions ensures payment of expense claims by bank transfer and offsets them against any prepayments made. Entertainment allowance expense claims cannot be paid from the cash stock.

#### **4. Archiving/Checks**

The FSO will archive expense claims and documentary evidence – including the guest list for both person-specific and non-person-specific representational activities – in SAP. If bodies such as the FSO, the Financial and Economic Affairs Department (FEZ), HDPO, the Inspection, Risk Analysis and Advisory Unit (ISB), the Central Government Audit Service (ADR) or the Court of Audit (AR) wish to carry out random checks or specific investigations to determine an activity's efficiency and regularity, they can consult SAP.

#### **5. Other organisations**

Under the attaché policy memorandum drawn up by the Secretaries-General, these guidelines and procedures apply – in the interests of uniformity and processing – to all employees posted from the Netherlands and all local employees at the mission, including those employed by organisations to which the ACRU does not apply, such as the Ministry of Defence, the National Police and the Social Insurance Bank, or to which the LSR 2020 does not apply, such as the National Police and the Social Insurance Bank.

Costs incurred by other ministries and organisations are settled in accordance with the regulations on ministerial settlement.

#### **6. Other provisions**

##### **6.1 Integrity**

Responsibility for ensuring the efficiency and regularity of an activity for which expenses are claimed lies with the employee submitting the claim and the head of mission. When an employee has filled in an expense claim, they must sign it, thereby indicating that they have completed it truthfully. If it is found to be incomplete or incorrect then the situation must be reported to the head of mission or, if the expense claim was submitted by the head of mission, to the deputy head of mission. This may result in a demand for repayment of any amount paid to which the recipient was not entitled. If the claim contains serious and/or deliberate inaccuracies or omissions, these must also be reported to 3W/Advice and/or the relevant director. This may result in measures being taken in accordance with the guidelines on corrupt practices and sanctions in the Ministry of Foreign Affairs Operational Procedures Manual (HBBZ) and the BZ Code of Conduct on Integrity.

##### **6.2 Scope for deviation from these rules**

After consulting with 3W/Advice via the FSO, a head of mission can decide to deviate from these guidelines if there are special grounds for doing so. Any such decision must be properly substantiated and set out in writing. This decision – together with the relevant supporting documents – must be saved in the entertainment allowance file of the mission in question or of the employee submitting the claim. If the deviation concerns the head of mission, the deputy head of mission decides in consultation with 3W/Advice.

## **7. Date of entry into force and short title**

1. These guidelines enter into force on 1 January 2020.
2. These guidelines may be cited as the Entertainment Allowance (Missions) Guidelines.

These guidelines will be published on Rijkspotaal.

The Hague, 20 December 2019

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