



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: United States Trade Representative--Use of
Reception and Representation Funds

File: B-223678

Date: June 5, 1989

DIGESTS

1. The purpose of the appropriation for "official reception and representation" (R&R) is to permit certain expenditures primarily in the nature of "entertainment" which generally are not permissible under normal operating appropriations. However, the R&R appropriation is available only to defray costs of "official reception[s]," not costs of business meetings involving the United States Trade Representative and other federal employees.

2. The Office of U.S. Trade Representative (USTR) may use its R&R funds to purchase business cards for staff members whose jobs include official representation. However, prior to making the latter expenditure, USTR should seek clarification of the Government Printing and Binding Regulations from the Joint Committee on Printing.

DECISION

The Senior Deputy General Counsel, Office of the United States Trade Representative, Executive Office of the President, requested guidance on the proper use of the USTR's "official reception and representation" (R&R) account. As explained below, we conclude that USTR's R&R appropriation is not available to defray the cost of light refreshments served USTR and other federal employees at working meetings before or after normal working hours. However, the USTR may use its R&R funds to purchase business cards for staff members whose jobs include official representation of the USTR.

BACKGROUND

The Office of the USTR (formerly known as the Special Representative for Trade Negotiations) was established in 1963 pursuant to section 241 of the Trade Expansion Act of 1962, Pub. L. No. 87-794, 76 Stat. 872, 878. It received a

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more detailed statutory basis with the enactment of section 141 of the Trade Act of 1974, Pub. L. No. 93-618, 88 Stat. 1978, 1999 (1975), codified at 19 U.S.C. § 2171 (1982). The USTR is the chief representative of the United States in trade negotiations, and administers various trade agreement programs. 19 U.S.C. § 2171(c)(1).

The USTR is funded under annual appropriation acts for the Department of Commerce, Justice, and State, the Judiciary, and Related Agencies. It receives a single lump-sum appropriation designated "Salaries and Expenses." For the past several years, Congress has made a portion of the USTR's appropriation available for "official reception and representation expenses", up to a specified monetary ceiling. For example, Congress made available \$68,000 in FY 1985, Pub. L. No. 98-411, 98 Stat. 1545, 1552 (1984); \$72,000 in FY 1986, Pub. L. No. 99-180, 99 Stat. 1136, 1165 (1985); \$59,000 in FY 1987, Pub. L. No. 99-591, 100 Stat. 3341, 3341-70 (1986); and \$69,000 in FY 1988, Pub. L. 100-202, 101 Stat. 1329, 1329-34 (1987) for official reception and representation expenses.

The USTR asks whether use of its R&R account would be authorized in three situations:

- (1) Officials of other executive branch agencies are occasionally called to meetings at USTR before normal working hours. Light refreshments (coffee and donuts) are typically provided at these meetings.
- (2) Negotiations with foreign governments may extend beyond normal working hours. When this happens, the USTR may require members of the U.S. delegation, including officials from other agencies, to meet separately during breaks in the negotiations. While the USTR can clearly use its R&R funds to provide refreshments to the foreign delegations, the question is whether it can incur similar expenses for the U.S. delegation during these separate meetings.
- (3) The work of the USTR necessarily involves considerable travel to foreign countries. Its policy is not to pay for business cards for USTR staff either in Washington or in its Geneva delegation. The question is whether this policy is required by law.

DISCUSSION

The starting point is the statutory requirement that appropriated funds can be used only for their intended purposes. 31 U.S.C. § 1301(a). In applying this statute, administrative decisions first of the Comptroller of the

Treasury and then of the Comptroller General have established that appropriated funds normally are not available for expenditures classified as "entertainment" (including refreshments) or "personal expenses" (including business cards).^{1/} The theory is not so much that these items can never be business-related, because sometimes they clearly are. Rather, what the decisions are really saying is that, because public confidence in the integrity of those who spend the taxpayer's money is essential, certain items which may appear frivolous or wasteful--however, legitimate they may in fact be in a specific context--should, if they are to be charged to public funds, be authorized specifically by the Congress. In recognition of this, Congress has developed the practice of making funds available for "official reception and representation" to those agencies which can justify the need.^{2/}

A review of our prior decisions confirms that the purpose of a R&R appropriation is to permit certain expenditures that would otherwise be unallowable. See 43 Comp. Gen. 305, 306 (1963). Although our decisions permit an agency a wide measure of discretion in using its R&R funds, 61 Comp. Gen. 260, 266 (1982), they have recognized that such discretion is not unlimited. For example, we did not object to the use of R&R funds to defray the cost of Interior Department Christmas and Fourth of July receptions attended by high-ranking Interior employees, members of Congress, and their guests and hosted by the Secretary of Interior, 61 Comp.

^{1/} A typical decision concerning refreshments is 47 Comp. Gen. 657 (1968); one concerning business cards is 20 Comp. Dec. 248 (1913). The latter decision recognized the customary use of business cards in the commercial world, but stated that "in official life it has been the practice for the official himself to furnish his own cards, the salaries in most instances being adequate for such expenditures." Id. at 250.

^{2/} The "official reception and representation" appropriations originated from the need to permit officials of agencies with significant presence in foreign countries to reciprocate courtesies extended to them by foreign officials. Since the early 1960's, when it seems to have originated, the use of R&R appropriations has outgrown the foreign relations context and has now become the most common, although not the only, form of "entertainment" appropriation.

Gen. 260 (1982); B-212634, October 12, 1983; or to pay the cost of refreshments served at a Federal Home Loan Bank Board reception incident to a career service award ceremony, B-114827, October 2, 1974. On the other hand, we have objected to proposals to charge the costs of private, social functions to an agency's R&R appropriation. 61 Comp. Gen. 260, 266 (1982), affirmed on reconsideration, B-206173(1), August 3, 1982. Fairly read, our decisions make clear that we will not object to an agency's use of its R&R appropriation to cover 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.^{3/}

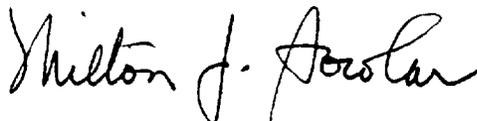
Unlike our prior decisions, the first two factual situations presented by the USTR may be fairly characterized as after- or before-hours business meetings or work sessions. Notwithstanding the employees' commendable devotion to the performance of the government's business and whatever personal inconvenience such unusual working hours may entail, we do not think that such meetings qualify as "official receptions" as that phrase is used in the USTR R&R appropriation. Viewing the factual situations posed by the USTR as interagency business meetings, we think such situations are covered by the long-established general rule prohibiting the use of appropriated funds to furnish or pay for food or meals to civilian employees at their official duty station even where unusual working conditions are involved. 53 Comp. Gen. 457 (1974); 65 Comp. Gen. 508 (1986); cf. 47 Comp. Gen. 657 (1968) (cost of refreshments may not be charged to appropriated funds). Accordingly, we conclude that USTR may not use its R&R appropriation to defray the cost of refreshments in the two situations posed above.

Turning to the third situation, we think the term "representation", as used in the phrase "official reception and representation", means precisely what it implies--representing the agency or the United States in dealings with others in an official context. In common usage, a person hands out

^{3/} We are not aware of any definition of "official reception" in the sundry appropriations therefor or their legislative history. Nor is it our purpose here to provide other than a rough outline of a definition. The essential point of any definition must reflect a distinction between the kinds of social and quasi-social functions suggested above that fall within the meaning of the phrase "official reception" and interagency working sessions or routine business meetings.

or mails business cards so that the recipient will have a convenient record or reminder of the person's name, organization, title, and telephone number. It seems clear to us that business cards are a legitimate and accepted "representation" device, and an agency would be within its discretion to determine that their use would materially contribute to fulfilling the objectives of its R&R appropriation. Accordingly, a determination by the USTR to use its R&R account for business cards for staff members whose jobs include representation of the USTR would be authorized under the appropriation. Cf. B-122515, February 23, 1955.

Having said this, we are aware that printing for government agencies must normally be done at the Government Printing Office (44 U.S.C. § 501), and that the Government Printing and Binding Regulations (sec. 20) prohibit the printing or engraving of business cards. We assume the prohibition in the regulations is intended to generally parallel the prohibition reflected in our prior decisions, which had not considered the precise question presented here. In any event, our decision and the regulations are two different things. We hold merely that it is within USTR's discretion to view business cards as a "necessary expense" under its R&R appropriation for those staff members whose jobs include representation of the USTR, and that the expenditure would be authorized under the appropriation. We suggest that, before purchasing business cards, the USTR contact the Joint Committee on Printing to determine the intended scope of the regulation.



Acting Comptroller General
of the United States