

MS 221 Volunteer Allowances

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- Attachment A – Settling-in Allowance Volunteer Survey
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- Attachment C – Bank/Postal Facility Authorization
- Attachment D – Memorandum of Agreement

[Exhibit A – Volunteer Allowances](#)

1.0 Purpose

This Manual Section sets out the policies governing Peace Corps Volunteers’ settling-in, living, daily, travel, annual leave, and evacuation allowances. Peace Corps Response Volunteers (PCRVs) are entitled to the same allowances authorized under this Manual Section as other Volunteers in similar situations unless otherwise noted. Procedures implementing these policies are set forth in Chapter 2 of the Overseas Financial Management Handbook (OFMH).

2.0 Authority

Peace Corps Act, Section 5.

3.0 Definitions

- 3.1** *Settling-in allowances* are allowances paid to newly assigned Volunteers for necessary housing supplies and equipment. *See* Subsection 4.0.
- 3.2** *Living allowances* are allowances paid to Volunteers for their support while in their country of assignment. They consist of base living allowances and supplemental living allowances. *See* Subsections 5.0 and 6.0.
- 3.3** *Annual leave allowances* are allowances paid to Volunteers for annual leave expenses. *See* Subsection 7.0.
- 3.4** *Travel allowances* are allowances paid to Volunteers to cover the cost of official travel in the country of assignment or travel outside their country of assignment. *See* Subsection 8.0.
- 3.5** *Daily allowances* are allowances paid to Volunteers on approved travel to cover the cost of meals, lodging, and/or incidental expenses after arrival at a location outside their country of assignment. Daily allowances are paid to Volunteers on administrative or medical hold status, on emergency or special leave, or on other approved travel status. *See* Subsection 9.0.
- 3.6** *Evacuation allowances* are allowances paid to Volunteers whose service is ended due to an evacuation as described in 7.1 of MS 284. (*See* Subsection 10.0 of MS 221 below.)

4.0 Settling-in Allowance

4.1 Policy

Upon initial site assignment, Volunteers are provided a settling-in allowance to purchase necessary housing supplies and equipment. This allows them to be involved immediately in their communities and gives them freedom to manage their own affairs. Volunteers are encouraged to purchase items available locally and to restrict their purchases to genuine needs. If a Volunteer is reassigned to another location, an additional settling-in allowance may be authorized if the Country Director believes it is justified.

4.2 Amount of Settling-in Allowance

In order to determine the appropriate amount of the settling-in allowance, the Post must conduct surveys on the prices and items commonly purchased by Volunteers with the allowance for each incoming group of Volunteers. The survey process requires Volunteers to complete the settling-in allowance Volunteer survey (*see* Attachment A) within three months after receipt of the allowance. The Country Director must analyze the results of the survey within 90 days of its

receipt and determine whether an increase or decrease in the amount is justified for the next group of Volunteers.

The Country Director may grant increases not to exceed 10 percent per fiscal year if the increase can be covered within approved budget authority. If the Post cannot cover the increase, the Country Director must justify the increase by filling out Attachment B, Analysis and Request for Change in Settling-in Allowances and request additional funding from the Regional Director, or their designee.

All increases over 10 percent per fiscal year must be approved by the Regional Director, or their designee. To justify such increases, the Country Director must submit Attachment B. A survey response rate of a minimum of 75 percent is required to support an increase greater than 10 percent. The Country Director must also conduct an independent price survey, which gathers data from Peace Corps staff, host country representatives, available host country statistics, and information from the settling-in allowance Volunteer survey. The independent survey may consist of spot checks of prices of items, but it must be comprehensive enough to provide verification of price trends and support the analysis of the settling-in allowance Volunteer survey.

4.3 Ownership of Items Purchased with Settling-in Allowance

Supplies and equipment purchased with the settling-in allowance become the Volunteer's personal property. When Volunteers complete their tours, they should be asked by the Country Director to donate items in usable condition to appropriate institutions, such as schools, hospitals, other Volunteers, or the Peace Corps.

5.0 Volunteer Living Allowance

5.1 Policy

Volunteers are entitled to a living allowance in order that they may serve effectively and safely overseas. It is Peace Corps policy that Volunteers live modestly and by the standards of the people they serve, yet not in a manner that would endanger their health or safety. Living allowances should be based on local living standards and costs and will thus vary among, and sometimes within, countries.

Each Post should establish a base living allowance according to the categories outlined in Subsection 5.2. Supplements to the base living allowance may be added on a per Volunteer basis to cover housing, utilities, locality supplements, and Peace Corps Volunteer Leader supplements, as detailed in Subsection 5.3.

PCRVs receive a living allowance similar to other Volunteers in that country. Post may use an existing Volunteer survey to determine a PCRV living allowance or conduct a new survey to make that determination, if necessary.

5.2 Base Living Allowance Categories

The base living allowance is comprised of the following categories:

- (a) **Food.** Constitutes a nutritious and varied diet with reliance on locally available food while the Volunteer is at site. This category includes contributions to host families for food, if applicable.
- (b) **Household Supplies.** Includes expendable items, such as cleaning supplies, soap and paper goods.
- (c) **Communication.** Includes local telephone calls, postage, internet connectivity, and reading materials.
- (d) **Clothing.** Includes provision for normal clothing replacement, consistent with wear and tear and climatic conditions.
- (e) **Local Transportation.** Includes travel costs to and from work and home. It does not include travel for medical or Peace Corps administrative reasons, which are paid through a travel allowance or reimbursed separately.
- (f) **Personal Sundries.** Includes expenses for personal items such as toiletries, etc.
- (g) **Discretionary Items.** Includes expenses for moderately priced local restaurants, recreation, entertainment, and incidentals.

5.3 Supplemental Living Allowance Categories

The supplemental living allowances include:

- (a) **Housing.** Only if the host government or local sponsor has not provided housing to the Volunteer. The housing should be consistent with local conditions and the housing of the people served.
- (b) **Utilities.** Only if utilities are not provided by the host government or local sponsor or included in the house rent. Utilities include water, gas, kerosene, coal, electricity, etc. as available at the Volunteer's site.
- (c) **Locality Supplement.** Supplements the base living allowance for any regional cost differences, as determined through the Volunteer living allowance survey described in Subsection 5.6.1.
- (d) **Peace Corps Volunteer Leader Supplement.** Supplement covers additional expenses that a Volunteer Leader may incur, such as telephone services or supplies.

5.4 Payment Schedule

The living allowance must be paid on a monthly basis unless an exception to this policy is approved in advance by the Chief Financial Officer (CFO) in consultation with the relevant

Regional Director, or that Regional Director's designee. The exception waiver is given on an annual basis and must be renewed annually, with a new request from the Country Director.

5.5 Payment Currency

Allowances are budgeted, obligated, and paid in the currency of the host country. Any exception to this policy should be approved in advance by the CFO in consultation with the relevant Regional Director, or that Regional Director's designee.

5.6 Determining Payment Amounts

Posts shall conduct surveys to justify and determine changes to the amount of the living allowance.

5.6.1 Volunteer Living Allowance Survey

At least annually, the Post must conduct a Volunteer living allowance survey of the Volunteers, using the survey and analysis software issued by the Office of the CFO. This survey is intended to help the Country Director determine the most appropriate level of goods and services needed to ensure the health and effective service of Volunteers, and to determine if a different locality supplement is warranted for a particular site type or location.

The Volunteer living allowance survey must collect data for each of the base living allowance categories in Subsection 5.2. The survey data should represent costs in a typical month and include item name, quantity, unit, and cost. The survey must capture the Volunteer's name and site. The data from the returned surveys should be aggregated and analyzed by staff using appropriate tools. For analysis of the survey data and determination of the appropriate allowance level for each category, the median amount determined by the survey shall be used.

5.6.2 Market Basket Survey

To verify Volunteer living allowance survey submissions, a market basket survey is conducted by staff in conjunction with each such survey. A market basket survey consists of selected staple items, commonly appearing on the Volunteer living allowance survey from each allowance category, which should be priced by staff in multiple locations. If there are locality supplements being paid to some Volunteers, it is recommended that a separate market basket survey be conducted in each locality. The market basket survey is to be used as a guide to validate the cost data on the Volunteer living allowance survey submissions. Large differences in prices between the market basket items and the survey submissions should be reviewed by Post during the analysis of the surveys and adjusted, if necessary.

5.6.3 Living Allowance Increases/Decreases

Increases or decreases to the base living allowance must be based on the findings of the Volunteer living allowance survey, as supported by the market basket survey, after elimination of seasonal fluctuations and other temporary influences. The Country Director may grant increases to the living allowance with concurrence of the Regional Director, or their designee. A

minimum Volunteer survey response rate of 75 percent is required to support an increase greater than 10 percent.

5.6.4 Effective Date and Retroactive Application

Living allowance increases become effective with the allowance payment following the approval of the Region. The Country Director may approve a single retroactive payment to cover the lapsed period from completion of the Volunteer living allowance survey to the effective date of the increase, subject to the availability of funds.

5.6.5 Temporary Increases

In an emergency situation, the Country Director, with concurrence from the Regional Director, or their designee, may authorize a temporary increase in the living allowance. Temporary increases are limited to a 90-day period. An emergency situation is characterized by a rapid decline in the purchasing power of the local currency caused by such situations as a sudden devaluation of the currency by the host country or an extraordinarily rapid rise in inflation, which adversely affects the health and safety of the Volunteers. A temporary increase must be supported by a Volunteer living allowance survey within 90 days after the effective date of the increase. An increase shall become permanent based on the survey results, consistent with Subsection 5.6.3. If no survey is conducted, the living allowance shall, at the end of the 90-day period, revert to the prior living allowance.

5.7 Living Allowance Calculation, Payment, and Collections

Living allowances are calculated based on a 30-day period and paid on a monthly basis, uniformly across all months. A Volunteer earns and is entitled to the full monthly amount regardless of the number of days served within any given month, including partial months served at the beginning or end of a Volunteer's service.

Payments must cover all months during which a Volunteer serves, in whole or in part. Overpayment of any monthly allowance must be collected from the Volunteer whenever the Volunteer does not serve one calendar day during any given month. Overpayments of in-country Volunteer allowances shall be collected directly from the Volunteer or from the Volunteer's in-country bank account. Overpayments should be recovered by the Collections Officer at the Post, which is either the Director of Management and Operations or a designee, who shall issue a receipt upon payment. If direct collection is not possible, the authorized Post staff must request collection from the Volunteer's readjustment allowance. (*See MS 223 Volunteer/Trainee Readjustment Allowance.*)

5.8 Overpayments at End of Service

At the time of a Volunteer's departure from Post, any overpayments of in-country Volunteer allowances shall be collected directly from the Volunteer or from the Volunteer's in-country bank account. Overpayments should be recovered by the Collections Officer at the Post, who shall issue a receipt upon payment.

If direct collection is not possible, the Administrative Officer must request collection from the Volunteer's readjustment allowance. (*See MS 223 and MS 284 Early Termination of Service.*)

Authorization from the Volunteer to collect from the Readjustment Allowance must be obtained on a signed Peace Corps Volunteer Certificate of Non-Indebtedness and Accountability for Property Form No. PC-477. The signed PC-477 form must be kept on file at Post.

If the Volunteer is separated outside of the assigned country for medical reasons, the Office of Health Services must obtain a signed PC-477 form, which shall be sent to the Office of Volunteer and Personal Services Contractor (PSC) Financial Services within the Office of the Chief Financial Officer (OCFO/GAP/VPS).

Collections that cannot be made from the Volunteer at Post or from the readjustment allowance will be pursued using the claims procedures set out in MS 777 *Billing and Collection Procedures, Debts, and Claims*.

5.9 Deductions from the Living Allowance

Debts that the Volunteer owes the Peace Corps for mailing packages, phone calls, etc. may be deducted from the living allowance. Deductions should be made to the next living allowance to be ordered and the Volunteer must be notified of the reason for the deduction. If the Volunteer is at the end of his/her service and no allowance payments remain, debts should be recovered using normal billing and collection procedures at Post.

5.10 Payment of Living Allowance to Volunteers on Medevac or Medical Hold

A Volunteer who is on medevac (*see MS 264 Medical Evacuation*) or on medical hold (*see MS 220 Leave for Volunteers/Trainees*), but who will return to service within 45 days, continues to receive a living allowance.

5.11 Payment of Living Allowances to Volunteers on Emergency Leave

A Volunteer who is on emergency leave will continue to receive a living allowance (*see MS 220*) during emergency leave (excluding any extension period) and for travel time. Payment of the living allowance during an extension depends on the type of extension authorized.

Housing and utilities may continue to be paid as necessary during any period of leave without allowance (*see MS 220*).

5.12 Discontinuation of Living Allowance to Volunteers during Administrative Hold

The living allowance will be discontinued during a period of administrative hold (*see MS 220*). Housing and utilities may continue to be paid as necessary if the Volunteer is expected to return to country.

5.13 Payment of Living Allowance to Volunteers on Special Leave

Volunteers may receive a living allowance during periods of special leave (*see* MS 281 *Completion of Service Date Advancement and Extension of Service*).

6.0 Living Allowance Payment

Living allowance payments must be made through the Volunteer In-Country Allowance (VICA) payment system via an Electronic Funds Transfer (EFT) directly to the Volunteer. Exceptions to this practice must have the approval of the VICA Financial Management Officer in OCFO/GAP/VPS.

6.1 Volunteer Bank Accounts

The Country Director must arrange for Volunteers to open accounts with one or more host country banks. If banks are not accessible by the Volunteers, Post should request approval from the Director of OCFO/GAP to use an in-country postal facility.

6.2 Consolidated Living Allowance Payments

If necessary, a consolidated payment system may be used to make living allowance payments. Under this system, a check or EFT is ordered at a bank or postal facility which will forward the funds on to the Volunteers, based on a list provided by Post. Any Post with authorization to process living allowances via a consolidated payment system must execute a Memorandum of Agreement (*see* Attachment D) with all banks involved. *See* the OFMH for procedures on using this Agreement. Each Volunteer must complete Attachment C, which provides authorization to the bank to accept funds on behalf of the Volunteer when payments are not issued directly to the individual Volunteer.

Post must reconcile consolidated payments between ordered amount and transferred amount, using the process in the OFMH.

The amount transferred may only be reduced for a Volunteer who has early terminated; it may not be reduced to collect for a Volunteer debt. Posts may not use the funds in the account of one Volunteer to cover a reimbursement or increase for another Volunteer. *See* the OFMH for the procedure to reduce the transfer amount, if appropriate.

6.3 Close-out of Volunteer Accounts

The Peace Corps may neither pay an obligation incurred by a Volunteer, nor act as a collection agency for a bank or postal facility owed money by a former Volunteer, as noted in the Memorandum of Agreement. It is the responsibility of the Volunteer to close out his/her account with the bank or postal facility. This information, including any forms, should be made available to Volunteers by the Country Director so that the Volunteers may take the necessary action, when required.

In some situations, such as early termination for medical reasons, it is difficult for a Volunteer to close the account. In order to address situations like this, the Country Director must confer with the financial institution(s) concerning the procedures Volunteers need to follow to close out their accounts in case of unexpected departure.

7.0 Annual Leave Allowances

Volunteers are provided allowances for annual leave expenses. Payment of a Volunteer's annual leave allowance will be included with the payment of the living allowance in local currency.

However, if the host country prohibits conversion of its currency, the Country Director, with concurrence of the CFO, may approve an alternate procedure. *See* the OFMH for procedures.

8.0 Travel Allowances

8.1 In-Country Travel Allowance

Volunteers may receive a monthly travel allowance to provide for in-country travel on official Peace Corps business (*see* MS 218 *Trainee and Volunteer Travel and Use of Transit/Regional Houses*).

8.2 En Route Allowance

Volunteers authorized to travel between their country of assignment and the United States, or their country of assignment and a third country, will receive en route travel allowance to cover lodging as needed and incidental expenses while in transit. PCRVs receive en route allowance to cover travel expenses between home-of-record and country of assignment. The amount of the en route allowance may vary according to the itinerary and number of meals, which must be purchased en route, and current rates are provided in the OFMH. However, the Regional Director, or their designee, may authorize a higher amount in exceptional circumstances.

8.3 Return Travel Allowance and Cash-in-lieu Allowance

As authorized in MS 218, Volunteers receive return transportation to their home-of-record at the end of service. They also receive an en route allowance, described above, and a baggage allowance, as defined in MS 214 *Volunteer/Trainee Baggage*.

Volunteers receiving cash-in-lieu of return ticket, in accordance with MS 218, are not entitled to receive baggage allowance, en route allowance or other travel allowances.

8.4 Travel Restrictions and Limitations

The Peace Corps has no authority to pay expenses that Volunteers incur in their individual pursuit of future employment or educational opportunities. Thus, the Peace Corps will not provide transportation, daily allowances, or travel allowances to Volunteers who travel outside their countries of assignment to take examinations relating to future employment or education. However, Volunteers who leave their sites to take examinations relating to their post-Peace

Corps careers may take up to three days administrative leave. More than three days' absence must be charged to annual leave or leave without allowance (*see* MS 220).

8.5 Departure Tax Allowance

Volunteers will receive an allowance to cover any applicable departure taxes that may be charged when leaving the country of service. This allowance will be paid on authorized emergency travel, special leave, and for close of service/early termination travel purchased by the Peace Corps. Volunteers electing to take cash-in-lieu do not qualify to receive a departure tax allowance.

9.0 Daily Allowances

9.1 Daily Allowances in the United States

9.1.1 Current Rates

Current rates for allowances in the United States are provided in the OFMH.

9.1.2 Administrative or Medical Hold

A Volunteer may be placed on medical hold by the Office of Medical Services in accordance with 8.1 of MS 220.

A Volunteer may be placed on administrative hold by the Regional Director in accordance with 8.2 of MS 220.

Volunteers on administrative or medical hold status receive a daily allowance while in such status. Administrative or medical hold allowances are authorized to be paid at staging, or other authorized site, or at the home-of-record. The amount of this allowance varies, depending on whether the Volunteer is at his or her home-of-record during the hold period or has had an acceptable alternate housing arrangement authorized for the period (*see* MS 218 and MS 220).

The Regional Director, or their designee, may reduce the amount of allowances for any period beyond 30 days if it appears that the total allowances exceed the subsistence actually incurred by a Volunteer.

9.1.3 Emergency Leave

Volunteers on emergency leave receive an emergency daily leave allowance for a maximum of 14 days (*see* MS 220). This allowance is usually disbursed by Post from the imprest fund before the Volunteer departs for travel from the site of the emergency.

9.1.4 Special Leave Allowance

Volunteers granted home leave in conjunction with an extension of service receive a special daily leave allowance at the start of the leave (*see* MS 220 and MS 281 *Completion of Service Date Advancement and Extension of Service*).

9.1.5 Medevacs to the United States

Volunteers who are evacuated to the United States for medical reasons receive a daily allowance, which varies in amount depending on their destination and whether or not meals and lodging are provided at U.S. government or commercial expense, e.g., hospitals.

Volunteers receive the first three days of this allowance in U.S. currency in-country, prior to departure for the United States, plus a travel allowance in accordance with their itinerary. Daily allowances for periods in excess of three days are processed by OCFO/GAP, based upon the approval of the funding office.

9.1.6 Other Daily Allowances for Volunteers while in the United States

Volunteers on other approved travel receive a daily allowance while in the United States, which varies in amount depending on whether or not meals and lodging are provided at U.S. government or commercial expense and whether the Volunteer is at their home-of-record or another site. These allowances are for:

- (a) Consultation (including medical, termination, transfer, re-enrollment, etc.) and
- (b) Authorized extraordinary purposes.

9.2 Daily Allowances in Third Countries

Volunteers traveling in a third country, including non-Peace Corps countries, for medical evacuations or for extraordinary purposes will receive daily allowances as described in the OFMH.

10.0 Evacuation Allowance

An evacuation allowance will be paid to Volunteers and Trainees whose service is ended due to an evacuation of a Post (*see 7.0 of MS 284 Early Termination of Service*).

10.1 Evacuation Allowance Policy

The Peace Corps provides an allowance to Volunteers and Trainees whose service is ended due to an evacuation in order to provide support to them when they return to their home-of-record.

10.2 Evacuation Allowance Amount

The evacuation allowance paid to the Volunteer or Trainee is calculated by OCFO/GAP/VPS, based on (i) the readjustment allowance rate applicable to such Volunteer or Trainee under MS 223 *Volunteer/Trainee Readjustment Allowance* multiplied by (ii) the lesser of (A) 12 months or (B) the number of months remaining until the individual's scheduled close of service date. The evacuation allowance is additional to any other amounts payable to the Volunteer or Trainee.

10.3 Evacuation Allowance Limitations

Volunteers who return to their country of service or continue their service uninterrupted in another country (i.e., direct transfers) do not receive the evacuation allowance.

11.0 Reporting a Crime

A Volunteer who is otherwise eligible for one or more allowances set forth in this Manual Section will not lose and may not be threatened with the loss of all or a portion of such allowance or allowances because the Volunteer has reported a crime or otherwise made any allegation covered by MS 271 *Confidentiality Protection*.

12.0 Effective Date

The effective date of this Manual Section is the date of issuance.