

# MS 722 Host Country Contributions

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**Date:** 7/29/11

**Office:** Office of the Chief Financial Officer

**Supersedes:** 2/8/84; 7/1/74

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Procedures

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### 1.0 Purpose

This manual section establishes policies for the acceptance and use of host country contributions (HCCs) from host governments and other in-country organizations and entities for Peace Corps in-country operations. This manual section does not apply to gifts or contributions to the Peace Corps under MS 721, *Gifts and Contributions to the Peace Corps*.

## **2.0 Policy**

HCCs from host governments and other in-country organizations and entities for Peace Corps expenses are an important aspect of Peace Corps in-country operations. HCCs indicate support for the Peace Corps and help defray Peace Corps expenses, enabling the Agency to use its funds more effectively. To be eligible as an HCC, a contribution must defray an expense that the Peace Corps would otherwise pay from appropriated funds or advance a purpose authorized by the Peace Corps Act.

## **3.0 Types of HCCs**

3.1 HCCs may be in the form of cash or in-kind:

- A cash HCC is a contribution to the Peace Corps for direct disbursement by the Peace Corps. It does not include cash payments made to others on behalf of the Peace Corps.
- An in-kind HCC includes the temporary use or loan of property or facilities for Peace Corps operations.

3.2 HCCs may be made by:

- The host government or host government entities, consistent with host country framework agreements (Host Government Contributions); or
- Other organizations and entities, such as private voluntary agencies, international organizations, non-governmental organizations, churches, businesses, or private individuals (NGO Contributions).

## **4.0 Host Government Cash Contributions**

4.1 A Host Government Cash Contribution is treated as “fiduciary funds”, i.e. that the funds belong to the host country and are held in trust by the Peace Corps as the trustee of the funds.

4.2 Country Directors are authorized to enter into agreements for Host Government Cash Contributions. The agreement must be approved by the Office of the General Counsel and Office of the Chief Financial Officer. A signed agreement must be in place prior to acceptance of the HCC.

## **5.0 NGO Cash Contributions**

- 5.1 An NGO Cash Contribution is treated as “non-fiduciary funds”, i.e., Peace Corps assumes ownership of the funds.
- 5.2 Country Directors are authorized to enter into agreements for NGO Cash Contributions. The agreement must be approved by the Office of the General Counsel and Office of the Chief Financial Officer. A signed agreement must be in place prior to acceptance of the HCC.
- 5.3 If the agreement is primarily programmatic in nature, the agreement must be approved by the Director of IGAP, pursuant to the procedures issued under paragraph 7 of MS 103. The Director of IGAP must consult with other offices that have a programmatic interest in the agreement. Through this programmatic approval process, offices with a substantive interest shall review the proposed agreement for consistency with the Peace Corps priorities and programs and consider operational and implementation issues that would affect implementation under the agreement.

## **6.0 In-Kind HCCs**

- 6.1 Country Directors are authorized to accept in-kind HCCs and to enter into agreements for in-kind HCCs.
- 6.2 The agreement must be approved by the Office of the General Counsel.

## **7.0 Implementing Procedures**

The Office of the Chief Financial Officer, in consultation with the Office of the General Counsel, is authorized to issue implementing procedures for the financial management of HCCs.

## **8.0 Effective Date**

This Manual Section takes effect on the date of issuance.