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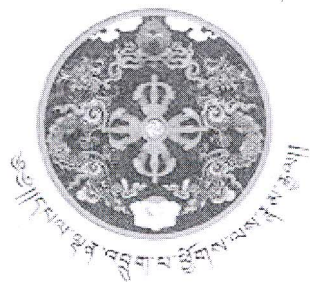
ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG

Revised Guidelines for the Hospitality & Entertainment (H&E) Expenditure and Discretionary Grant 2022

Ministry of Finance
October, 2022

THIMPHU, BHUTAN. Post Box No. 117, Ph: 322223, 322271, 322514 Fax: 32315

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Part I: Preliminary

I. Title:

The Guidelines shall be known as the revised Guidelines for the Hospitality & Entertainment (H&E) Expenditure and Discretionary Grant 2022, hereafter referred to as the “Guidelines”.

II. Commencement:

The Guidelines shall be effective from 1st October, 2022.

III. Objective:

The Guidelines are to:

- A. Provide clarity on the allowable and disallowable expenditures under the H&E expenditure.
- B. Provide clarity to the Oversight bodies,
- C. Standardize the procedural requirements and restrictions governing the manner and extent to which public funding may be expended.

IV. Scope:

The Guidelines shall apply to:

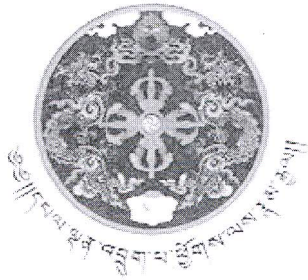
- A. All public servants entitled to the H&E and the Discretionary Grant.

V. Interpretation and Amendment:

The Ministry of Finance shall be the final authority to interpret the Guidelines and may revise the Guidelines in whole or parts based on the directives.

The Guidelines shall supersede the Guidelines for Hospitality and Entertainment Budget 2020.

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Part II: Hospitality and Entertainment Expenditure

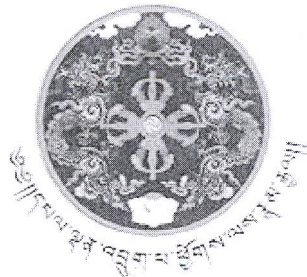
I. Definition of H&E:

Hospitality & Entertainment is defined as hosting, gifting and entertaining guests, and the H&E also includes making other officials expenses during official tours and visits both within and outside the country.

II. Allowable Expenditure:

- i. Expenses for hospitality and entertainment must be directly related to, or associated with, the active conduct of official business. As a public institution, authorized officials must exercise prudent business judgment when reviewing proposed expenditures for food, beverage and incidental costs based on:
 1. Prescribed Annual Expenditure limit for the H&E.
- ii. Only actual and evidenced costs can be reclaimed based on the expenses supported by receipts/bills/invoices/cash memos and duly verified by the concerned public servants.
- iii. The following expenditure items, shall not be allowed or covered under the budget for the H&E:
 1. Nyendhar and Tokha (*for clarity, Tokha is defined as granting of meals to mass gatherings*),
 2. The contributions to Trust Funds, Charity and Political Party Office.
 3. Changyebs will be allowed only while representing the Organization/Agency at the annual Kurims and Rimdos.
- iv. The budget for the H&E for Cabinet Ministers and Equivalent Position Holders shall be within the prescribed ceiling of Nu.1.5 million per annum. However, in the event that it is not sufficient, approval has to be sought from Lhengye Zhungtshog with appropriate justification.

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- v. The Cabinet Ministers and Equivalent Position Holders are also entitled for Nu.1.0 million for travel purpose (both in-country & Ex-country). This amount shall be adjusted from annual block grant allocated to respective Ministries/Agencies. In the event the allocated amount is not enough to suffice the expenses incurred during official travel, respective Ministers and Equivalent Position Holders can meet the expenses from the H&E (provided the H&E expenses remain within the prescribed ceiling).
- vi. The Personal Secretary and the Personal Assistants to the respective Cabinet Ministers and Equivalent Position Holders shall maintain receipts/bills/invoices/cash memos for expenses made under the H&E and submit accounts in a timely manner to the Finance Division for timely disbursement. The detailed summary of accounts has to be verified and signed by respective Cabinet Ministers and Equivalent Position Holders.
- vii. Any un-utilized fund at the end of the financial year shall lapse.

Part III: Discretionary Grant

I. Definition of Discretionary Grant:

For the purpose of the Guidelines, the Discretionary Grant shall be defined as a Grant to cover expenditures made at the discretion of an entitled public servant in their official capacity.

II. Disbursement:

- A. The Discretionary Grant shall be disbursed as and when required, upon receipt of a request for disbursement verified by the concerned public servant.
- B. In the event the public servant gets transferred/remits from service before the financial year, the public servant will have to refund the Discretionary Grant on a pro rata basis.

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