

December 18, 2018

Incorporating Amendment 1, Effective December 27, 2018
and Amendment 2, Effective January 9, 2019

PEACE CORPS OPERATIONS PLAN IN THE ABSENCE OF CURRENT YEAR APPROPRIATIONS

List of Amendments:

Amendment 1, effective December 27, 2018, amends paragraph 8F to authorize the heads of the offices identified in Attachment A to substitute a furloughed employee for a retained employee by providing notification to the Chief Human Capital Officer.

Amendment 2 (underscored in the plan for easy reference), effective January 9, 2019, amends paragraphs 5B, 8G, and 8H to permit stagings and trainings/conferences and related costs (including travel) to be conducted for up to six weeks after the beginning of a funding hiatus. It also amends those paragraphs to require the prior written approval of the CFO, rather than notification to the CFO, for each activity within this expanded six week time period.

1. PURPOSE

This is general guidance in the event of a funding hiatus caused by the absence of current year appropriations, either through failure to pass a regular appropriations bill or a continuing resolution (CR). It will be supplemented by more specific guidance for any specific funding hiatus. For example, the designation of excepted, funded and other employees and use of available funding may vary depending on the circumstances of a specific funding hiatus.

2. AUTHORITY

Office of Management and Budget (OMB) Circular A-11, Section 124, Agency Operations in the Absence of Appropriations.

3. REFERENCES

Guidance and information regarding furloughs based on unforeseeable conditions can be found under “Guidance for Shutdown Furloughs” at <http://www.opm.gov/policy-data-oversight/payleave/furlough-guidance/guidance-for-shutdown-furloughs.pdf>.

4. BACKGROUND

OMB Circular A-11 requires agencies to develop and maintain “shutdown plans” for an orderly suspension of agency operations during a funding hiatus. Agency shutdown plans must designate “excepted” and “funded” employees who will be retained to perform “excepted” or “funded” activities and requires the agencies to furlough all other employees.

5. POLICY

A. Any lapse in funding is expected to be temporary and of short duration. If the Peace Corps were to suspend its operations overseas during a funding hiatus, the health, safety and security of Volunteers would be at serious and immediate risk.¹ Furthermore, Volunteers have no means of support without subsistence payments made by the Peace Corps. Therefore, a suspension of overseas operations by the Peace Corps would require the Peace Corps to evacuate all Volunteers and temporarily return them to their homes of record.

It would take between 15 and 30 days to complete the process of evacuating all Volunteers to their homes of record following the beginning of a funding hiatus. During that period, overseas operations would have to continue to protect the health, safety and security of Volunteers before and during the evacuation and provide Volunteers with subsistence payments until the evacuation is complete. It would cost the U.S. government an average of approximately \$3,500 per Volunteer for round trip travel alone to evacuate them to their homes of record and then return them to their sites when the funding hiatus ends. This would amount to approximately \$29 million for all Volunteers. In addition to these direct costs, the U.S. government would lose the value of the volunteer services being provided by Volunteers for the duration of the funding hiatus. Volunteers make a commitment to serve for 27 months, and it would in most cases not be possible to extend their service to make up for any interruption during a funding hiatus. It is estimated that the value of this loss of volunteer services would amount to at least \$15 million per month. Finally, there would be significant but unquantifiable intangible losses to the U.S. government since much of the good will that Volunteers have built in their assigned communities during their service would be lost if they are sent back to their homes of record.

In contrast, there would be only minimal savings in operating costs, particularly at the outset, if Volunteers were to be evacuated to their homes of record. Until the evacuation of all Volunteers is completed, the agency would not be able to begin to curtail operations overseas that are reasonably necessary to protect the health, safety and security of Volunteers, and living allowance and other subsistence payments to Volunteers would continue. Therefore, if, for example, the funding hiatus lasts only 15 days, there would be no savings of operating expenses overseas, but there would be direct costs to the agency of at least \$29 million. Even after all Volunteers are evacuated to their homes of record, it would be necessary to keep some operations in place to protect government property.

Given the significant tangible and intangible costs that would be incurred in evacuating all Volunteers to their homes of record and the minimal savings in operating costs overseas that would be achieved by doing so, evacuating Volunteers and returning them to their homes of record would only be justified by a much more substantial lapse in appropriations than the agency expects. The agency has, therefore, determined that the Peace Corps is not required during a lapse in appropriated funding to take any action to evacuate Volunteers and return them to their homes of record.

¹ All references in this plan to Volunteers include Trainees.

The Director has determined that all Peace Corps U.S. direct hire and FSN employees overseas are reasonably necessary for the protection of human life and property and, in particular, are required to ensure the health, safety and security of currently serving Volunteers.

B. All activities not reasonably necessary for the safety of human life (including the health, safety and security of currently serving Volunteers) or the protection of property will be suspended unless the Director determines, in her discretion, that any such activities should continue using funds that remain available from the appropriation for the immediately preceding fiscal year. Activities that are not reasonably necessary for the safety of human life or the protection of property include Volunteer recruitment, selection and placement and third goal activities, as well as any other activities carried out by the Office of Volunteer Recruitment and Selection, the Office of External Affairs, the Office of Strategic Information, Research and Planning, the Office of Overseas Programming and Training Support, the Executive Secretariat, the Office of Strategic Partnerships, the Office of Innovation, the Office of Third Goal and Returned Volunteer Services, the Chief Compliance Officer and the Office of Civil Rights and Diversity.

The Director has determined that Volunteer stagings and related costs (including travel) scheduled for up to six weeks after the beginning of a funding hiatus should be continued. Other scheduled Volunteer stagings and related costs (including travel) may be continued at the discretion of the Director on a case-by-case basis. See paragraph 8.G. below.

The Director has determined that, at the Director's discretion, already obligated funds may be used for training/conference activities and related costs (including travel) scheduled during the six weeks after the beginning of a funding hiatus. Conference activities are those related to or in support of Volunteer health, safety and security. However, any training/conference activities and related costs (including travel) approved by the Director—which occur during the six week period after the beginning of a funding hiatus—for which funds have not been obligated prior to the beginning of the funding hiatus must be funded with carryover funds. In particular, any employees who are participating in or required to support such training/conference activities must be funded with carryover funds. To that end, any employees participating in such training/conference activities and related costs (including travel) must be approved by the CFO. See paragraph 8.H below.

The Director has further determined that in the event that a funding hiatus occurs on a weekend all operational activities should continue using funds that remain available from the appropriation for the immediately preceding fiscal year until the first work day on which orderly shutdown activities can occur. See paragraph 8. I below.

6. DEFINITIONS

A. **Excepted activities** – Excepted activities are military activities, law enforcement activities, the direct provision of health care and other activities that are reasonably necessary for the safety of human life or the protection of property in general. Excepted activities do not include ongoing, regular activities the suspension of which would not imminently threaten the

safety of human life or the protection of property. There must be some reasonable and articulable connection between the activity to be performed and the safety of human life or protection of property **and** there must be some reasonable likelihood that the safety of human life or protection of property would be compromised in some significant degree by the delay in the performance of the activity in question. The threat to human life or property if the activity is not performed must reasonably be said to be near at hand and demanding of immediate response.

Activities that are reasonably necessary to protect Volunteer health, safety or security or to provide Volunteers with living allowances and other subsistence payments to which they are entitled are excepted activities.

B. Excepted employees - Excepted employees are employees who perform excepted activities. Excepted employees continue to report to work during a shutdown.

C. Funded activities – Funded activities are activities that are not excepted activities and that, at the discretion of the Director, the Peace Corps continues to fund with multiyear or no-year appropriated funds. The Peace Corps has a two-year appropriation and, in the absence of current year appropriations, may use any funding remaining available from the immediately preceding fiscal year to continue operations in furtherance of the Peace Corps Act. PEPFAR (President’s Emergency Plan for AIDS Relief)-funded activities may continue using carryover PEPFAR funding as available.

D. Funded employees – Funded employees are Peace Corps employees who are authorized to continue to report to work during a shutdown to perform funded activities. PEPFAR-funded employees may continue work using carryover PEPFAR funding as available.

E. Furlough - A furlough is the placing of an employee in a temporary non-duty, non-pay status because of lack of work or funds or other non-disciplinary reasons.

7. OMB CIRCULAR A-11 REPORTING REQUIREMENTS

In accordance with the reporting requirements in OMB Circular No. A-11, Section 124.2, the following information is provided:

A. Estimate of the time (to the nearest half day) to complete the shutdown:

One half day for all non-excepted employees. This will enable an orderly shutdown of all non-excepted activities.

B. Number of employees expected to be on-board before the implementation of the plan:

The Peace Corps has

- (1) 941 U.S. direct hire employees, and
- (2) 63 Foreign Service National (FSN) employees.

C. Total number of headquarters employees to be retained under the Plan because:

- (1) They are engaged in military, law enforcement or direct provision of health care activities: 21 (consisting of 1 employee in the Office of Inspector General engaged in law enforcement activities and 20 employees engaged in the direct provision of health care).
- (2) Their compensation is financed by a resource other than annual appropriations: 19 (these are 18 employees funded by the President's Emergency Plan for AIDS Relief and 1 funded by EPCMD).

Additional employees may be retained at the discretion of the Director to carry out non-excepted activities using funds that remain available from the agency's appropriation for the immediately preceding fiscal year.

D. Number of employees, not otherwise exempt, to be retained to protect life and property: 350 (consisting of 97 at Peace Corps headquarters in Washington, D.C. and 253 overseas - see Attachment A).

8. EXCEPTED AND FUNDED EMPLOYEEES

A. The following are the categories of employees who will not be furloughed in the event of a lapse in current year appropriations:

- (1) **Presidential appointed Senate-confirmed positions** – Director. As a Presidential appointee, the Director may engage in both excepted and non-excepted activities. However, no other obligations may be incurred after the beginning of a funding hiatus in respect of any such non-excepted activities unless they are funded activities.
- (2) **Employees engaged in direct provision of health care activities to Volunteers or others** – The employee must be directly providing health care.
- (3) **Employees engaged in law enforcement** – This category is limited to law enforcement (i.e., employees in the Office of the Inspector General) and does not apply to Volunteer safety and security.
- (4) **Employees engaged in protecting life or property** – Employees retained to protect life or property should spend the predominant amount of their time engaged in those activities. If the excepted activity can be performed in less than an entire day, the employee is required to resume furlough status after completing the excepted activity. However, if the employee is required to perform the excepted activity intermittently throughout the course of the day and the intervals in between are too short to enable the employee to be furloughed and then recalled in time to perform the excepted activity, the employee may remain at work and may perform non-excepted activities during those intervals. The number of employees performing excepted activities on an intermittent basis should be minimized by consolidating excepted activities to the extent possible for performance by a smaller number of employees.
- (5) **Employees required to provide essential supervision or administrative support for an excepted activity** – Supervision or administrative support for an excepted activity may also continue, but only to the extent that the excepted activity cannot be effectively carried out without such supervision or administrative support. Employees retained to provide supervision or administrative support for excepted activities should spend the predominant amount of their time providing supervision or support for excepted activities. If the supervisory or support function for the excepted activity can be performed in less than an

entire day, the employee is required to resume furlough status after completing that supervisory or support function for the excepted activity. However, if the employee is required to perform the supervisory or support function for the excepted activity intermittently throughout the course of the day and the intervals in between are too short to enable the employee to be furloughed and then recalled in time to perform the supervisory or support function for the excepted activity, the employee may remain at work and may perform non-excepted activities during those intervals. The number of employees performing supervision or support for excepted activities on an intermittent basis should be minimized by consolidating supervision or support for excepted activities to the extent possible for performance by a smaller number of employees.

(6) Funded employees.

B. Employees required during the shutdown process - The “shutdown” process is not a permanent shutdown of the agency or its operations. It is a suspension of normal regular operations during a lapse in appropriations. The Office of Management and Budget has determined that the normal winding down of operations should take no more than four hours. If, in the case of a specific employee, it will take more than four hours to wind down operations, this may be approved on an exceptional basis by the employee’s office head. During the winding down time, the activities of employees who are not excepted or funded employees must be wholly devoted to closing down their regular functions and, upon completion, these employees will be furloughed.

EXAMPLES:

- Performing payroll functions for the period just prior to the appropriation lapse.
- Completing inventories of property and records to assure protection of the Government’s interests and claims of affected private entities and individuals.
- For “partially excepted” activities, the transferring of any ongoing work necessary to support an “excepted” activity.
- Personnel functions to process furlough/reduction-in-force notices.

C. U.S. direct hire employees overseas - Since they are required to protect the health, safety and security of Volunteers and to protect government property overseas, as well as to provide the support necessary to ensure that Volunteers continue to receive subsistence payments, all U.S. direct hire employees overseas are considered excepted employees for purposes of this plan.

D. Foreign Service National (FSN) employees – All Peace Corps FSN employees will be considered excepted employees since they are required to protect the health, safety and security of Volunteers, to provide subsistence payments to Volunteers or to protect property. FSN employees are managed under the relevant Embassy’s human resource management system and subject to the Embassy’s local compensation plan and their conditions of employment may be subject to local employment laws. Even if an FSN employee were not engaged in an excepted activity, that FSN employee could, under local law, be required to be paid whether or not the FSN employee works. In that case, the FSN employee would be required to work as long as the FSN employee can be properly supervised.

E. **Personal Services Contractors (PSCs)** –The following guidelines should be followed in determining whether or not to suspend a PSC contract during a funding hiatus:

(1) If funds for a PSC contract have not been obligated before the beginning of the funding hiatus or the funds that have been obligated are exhausted:

(a) that PSC contract should be suspended unless the PSC is engaged in an excepted activity (such as protection of the health, safety or security of Volunteers or of property) or, under local law, the PSC would be required to be paid regardless of whether or not the PSC works; (b) if the PSC is engaged in an excepted activity (such as protection of the health, safety or security of Volunteers or of property), the PSC contract should not be suspended and funds for the PSC contract should continue to be obligated even after the beginning of the funding hiatus; or (c) if, under local law, the PSC would be required to be paid regardless of whether or not the PSC works, the PSC contract should only be suspended if the PSC cannot perform under the contract without oversight or input from an employee who has not otherwise been excepted from being furloughed.

(2) If funds for a PSC contract have been obligated before the beginning of a funding hiatus: (a) that PSC should continue to perform under that contract and the PSC contract should not be suspended until the funds that have been so obligated are exhausted, as long as the PSC can perform under the contract without oversight or input from an employee who has not otherwise been excepted from being furloughed; or

(b) that PSC contract should be suspended if the PSC cannot perform under the contract without oversight or input from an employee who has not otherwise been excepted from being furloughed.

Employees may not be solely justified as excepted employees merely because of their oversight role with regard to PSCs; their excepted status must be independently justified.

F. **Headquarters employees** - A minimum number of employees at Peace Corps headquarters will be required to protect the health, safety and security of Volunteers and to ensure that Volunteers continue to receive living allowances and other subsistence payments to which they are entitled. Other employees will be required at Peace Corps headquarters for the protection of lives and property in the U.S., as well as to support these excepted activities. A summary of the employees required at Peace Corps headquarters during a funding hiatus for the protection of life or property is set out in Attachment A. The heads of the offices identified in Attachment A may substitute a furloughed employee for a retained employee by providing notification to the Chief Human Capital Officer. **Additional employees may be recalled from furlough at any time during a funding hiatus with the approval of the Director and the General Counsel in the event that an emergency occurs and they are required to protect the health, safety or security of Volunteers.**

G. **Volunteer stagings** - These are not excepted activities. At the Director's discretion, already obligated funds may be used for scheduled staging activities and related costs (including travel). However, any staging activities and related costs (including travel) for which funds have not been obligated prior to the beginning of the funding hiatus must be funded with carryover funds. In particular, any employees in the U.S. who are required to support staging activities must be funded with carryover funds. To that end, any domestic employees participating in staging activities and related costs (including travel) must be approved by the CFO.

H. **Previously scheduled trainings/conferences and related costs (including travel) in support of field activities** – These are not excepted activities. The Director has determined that, at the Director’s discretion, already obligated funds may be used for training/conference activities and related costs (including travel) scheduled during the six weeks after the beginning of a funding hiatus. However, any training/conference activities and related costs (including travel) approved by the Director—which occur during the six week period after the beginning of a funding hiatus—for which funds have not been obligated prior to the beginning of the funding hiatus must be funded with carryover funds. In particular, any employees who are participating in or required to support such training/conference activities must be funded with carryover funds. To that end, any employees participating in such training/conference activities must be approved by the CFO. See paragraph 5.B above.

I. **Weekend activities when funding hiatus occurs on a weekend** – These are not excepted activities. The Director has determined in her discretion that, when a funding hiatus occurs on a weekend, activities shall continue until the first workday when an orderly shutdown can occur. Already obligated funds may be used for scheduled activities. However, any activities for which funds have not been obligated prior to the beginning of the funding hiatus must be funded with carryover funds from the previous fiscal year. In particular, any employees in the U.S. who are required to support activities must be funded with carryover funds. To that end, any domestic employees participating in activities after the lapse should be identified for the CFO.

9. ORDERLY SHUTDOWN OF NON-EXCEPTED AND NON-FUNDED ACTIVITIES

A. The Director or designee will advise employees of a funding hiatus as soon as possible after current year appropriations lapse. The Peace Corps will communicate with employees regarding its plans if it becomes necessary to effect an orderly suspension of agency operations.

B. The Director or designee will designate which positions are “excepted,” “funded” or “nonexcepted” and notify employees of their individual designation.

C. The Peace Corps will prepare draft “emergency” furlough decision notices for distribution to employees to the extent possible within the limited time available.

D. An immediate hiring freeze begins on the first workday of the hiatus. No new job offers will be made, and any firm or tentative job offers are suspended until the funding hiatus is over.

E. On the first workday of the hiatus, all employees should report to work as scheduled and the agency will proceed with the orderly shutdown of operations. However, supervisors may authorize remote shutdown by employees who have computer capability and any other necessities to do so. Supervisors will inform non-excepted, non-funded employees of the status of funding and instruct them to limit their work activities to those functions necessary for the orderly cessation of operations.

- F. Non-excepted, non-funded employees should perform only those tasks necessary to safeguard property, records and information and to complete administrative functions such as processing payroll up to the beginning of the funding hiatus. In addition, non-excepted and non-funded personnel should
- (1) take measures to secure files,
 - (2) make external contacts necessary to communicate the office's status, such as notifying parties of the cessation of normal business and cancelling non-essential meetings, conferences and other previously arranged business,
 - (3) document the status of cases and projects so that they can be resumed, transferred or otherwise appropriately handled when the Peace Corps operational status is resumed,
 - (4) perform those tasks necessary to protect confidential information, and
 - (5) perform necessary functions to process all unpaid bills in hand for obligations incurred prior to the first day of the funding hiatus. It is anticipated that these activities will take approximately four hours for most employees. Since it is assumed that such a hiatus will be temporary and of short duration, no action will be taken that will impede the orderly resumption of operations once funds are available.
- G. Personnel and payroll records and processing – The Peace Corps will take necessary personnel actions to release employees in accordance with applicable law and regulations of the Office of Personnel Management. The Peace Corps must prepare employee notices of furlough and process personnel and pay records in connection with shutdown furlough actions. These functions are to be performed by employees who are retained for orderly termination of agency activities as long as those employees are available.
- H. After performing the functions necessary for an orderly suspension of non-excepted operations, non-excepted and non-funded employees will be furloughed.
- I. All staff training will be suspended.
- J. General services, transportation, supplies and acquisition staffs will be curtailed and will be available only to support excepted or funded activities.
- K. Unless otherwise authorized by the Director on the basis of legal advice provided by the General Counsel, furloughed employees may not perform voluntary services for the agency, come to the office, perform work-related activities from their home or use blackberries or tokens to access Peace Corps IT systems.
- L. Supervisors will be responsible for notifying absent employees of the furlough as soon as possible after a lapse in current year appropriations occurs. All pre-approved paid leave (annual, sick, court or military) is canceled for the duration of the shutdown. No requests for paid leave will be granted during the shutdown. Those on pre-approved leave without pay (LWOP) may remain on LWOP for the duration of the shutdown.
- M. Employees should listen to public broadcasts and view the OPM website and the Peace Corps website to stay informed on the status of agency funding during the hiatus. Furloughed

employees are expected to report to work as scheduled on the first workday after the enactment of an appropriation or continuing resolution that makes funds available to the agency.

10. EMPLOYEE BENEFITS

- A. Employee benefits – See link <http://www.opm.gov/policy-data-oversight/pay-leave/furloughguidance/guidance-for-shutdown-furloughs.pdf> for detailed benefits information regarding retirement, health benefits, life insurance, unemployment compensation, holiday and other leave entitlements, continuation of pay, performance awards and within-grade increases, etc.
- B. Unemployment benefits - It is possible that employees may be eligible for unemployment compensation, especially if they are on consecutive furlough days. Each state's unemployment compensation requirements differ. Employees should submit their questions to the appropriate state office.
- C. Health and life insurance coverage and premiums - Federal Employee Health Benefit (FEHB) premiums are deducted from the employee's pay. If the employee's pay is insufficient to cover the FEHB premium, the agency must forward the full premium to the Employee Health Benefits Fund. The employee can pay the premium directly to the agency or have it withheld from pay when he or she returns to regular duty. The enrollment continues for up to 365 days of non-pay status.
- D. Federal Employee Group Life Insurance (FEGLI) coverage continues, and contributions made by the employee and the employee's agency continue if the employee's salary in each pay period is sufficient to cover deductions. If the employee's salary is insufficient to cover his or her withholding, the employee's coverage will continue for up to 12 months without cost to the employee or the employee's agency.
- E. Leave accrual - For each full pay period of non-pay status (80 hours), employees will not accrue annual or sick leave. Employees will accrue leave during the first and last pay periods as long as there is a period of time in a pay status.
- F. Service credit - Periods of non-pay status of less than 6 months will have no impact on most benefits. Only leave accrual, length of trial period, waiting periods for within-grade increases and TSP agency matching contributions may be impacted under a short term furlough.

11. TRAVEL

- A. Essential travel in the U.S. and overseas may be approved, and should be limited to the lowest level consistent with carrying on excepted activities. Essential travel will be judged by standards such as protecting life and property, maintaining excepted post operations, directly

supporting major activities constituting excepted activities (including law enforcement), emergency visitations, and medical or other ordered evacuations.

B. Reassignment of personnel already planned, such as movements related to changes in post assignment, will continue only if funds have been previously obligated, or if the Director approves use of carryover funding.

C. Other personnel in TDY status not performing “excepted” activities must stop work and await further instructions unless the Director approves continuation using carryover funds. Because any hiatus is expected to be temporary, personnel in non-essential travel status should not initially be instructed to return to their home duty stations.

12. CONTRACTS

A. Excepted activities - Contracts that are required to carry out excepted activities may, to the extent that the contract has been funded, continue to be performed during a funding hiatus and should not be suspended. If the funding for such a contract is exhausted, additional funding may be obligated in accordance with paragraph 12.C. below.

B. Non-excepted activities - Contracts that are not required for excepted activities may continue to be performed during a funding hiatus and should not be suspended if they are funded prior to the beginning of the funding hiatus and either:
(1) they require no oversight or input from Peace Corps employees; or
(2) they require oversight or input by Peace Corps employees, but suspending the contract would prevent or significantly damage the execution of a congressionally authorized or appropriated function for which Congress has provided funding that remains available during the funding hiatus.

C. Previously awarded contracts (including leases) that would, in the absence of funding, require renewal or modification during a lapse in appropriations to obligate additional funds for continued performance may be authorized to continue only for excepted or funded activities.

D. Personnel may continue to work or be brought in under the necessary implications exception to the extent that they are needed to oversee or provide input on contracts that have not been suspended.

E. New contractual commitments may be made during the funding hiatus only if required to carry out excepted activities or if they are for funded activities approved by the Director.

13. OBLIGATIONS AND PAYMENTS

A. Obligations - During any lapse in current year appropriations, obligations against lapsed appropriations may continue to be incurred for excepted activities and obligations against available appropriations from the immediately preceding fiscal year may continue to be incurred

for funded activities. Financial management and certifying officers have the responsibility to ensure that only authorized obligations are recorded. Specific guidance is as follows:

(1) The Peace Corps has legal authority to incur obligations to continue excepted or funded activities. However, obligations incurred for excepted activities that are not funded should not be formally recorded (posted) in the Peace Corps financial systems as there are no appropriations against which to record the obligations. Post staff must ensure that such obligations are not sent through FOR Post to be recorded in the official financial systems. Funded activities are to be recorded.

(2) All obligations for funded activities during the funding hiatus must be approved by the Director. All other obligations incurred during the funding hiatus must be approved by the Director for any Peace Corps obligations worldwide or by Country Directors within their country only. Obligor documents must contain the following statement affixed and signed by the Director or Country Director as applicable: "This obligation is necessary to carry out excepted activities in the absence of an appropriation or to perform activities for which funds are otherwise available."

(3) Peace Corps headquarters and post staff must maintain detailed records of all obligations incurred that cannot be recorded at the time of the obligation and record them in the Peace Corps financial systems as soon as the current year appropriation becomes available.

B. Payments - During any lapse in current year appropriations, the Peace Corps may make payments only in accordance with the following:

(1) Payments against obligations incurred prior to the beginning of the funding hiatus may be made only if the agency's failure to make the payment during the funding hiatus would result in an imminent threat to life or property, would critically impair the President's constitutional functions or would prevent or significantly damage the execution of a congressionally authorized and funded function. The agency's failure to make the payment during the funding hiatus would prevent or significantly damage the execution of a congressionally authorized and funded function if

(a) the continuation of the relevant program during the funding hiatus has been contemplated by Congress in authorizing or appropriations legislation,

(b) the agency's failure to make payment during the funding hiatus would delay contract performance, and

(c) this delay in payment would significantly damage the execution of the terms of the authorizing or appropriations legislation.

In all other cases of obligations incurred prior to the beginning of the funding hiatus, payment must be deferred unless carryover funds (i.e., funds that remain available from the appropriation for the immediately preceding fiscal year) are used to pay for the personnel needed to make those payments and any other expenses of making those payments.

(2) Except for obligations incurred against carryover funds, the Peace Corps may not certify or authorize payments for obligations incurred after the beginning of the funding hiatus for excepted activities. Obligations can be incurred for excepted activities but cannot be posted (formally recorded) in the agency's financial systems until funding becomes available.

(3) Payments may be made on obligations incurred after the beginning of the funding hiatus against carryover funds as long as carryover funds are also used to pay for the personnel needed to make those payments and any other expenses of making those payments.

Financial management and certifying officers have the responsibility to ensure that only payments that are permitted to be made against authorized obligations are certified and forwarded for payment.

C. Specific Situations - The following are typical obligation/payment categories for excepted services and how they should be handled. For funded services, regular procedures apply.

(1) FSN and PSC pay/allowances - Standard procedures to process FSN and PSC staff payroll must be followed. Under no circumstances should alternate means be used to pay FSN and PSC salaries, such as using cashier funds. As per the above general guidance, for obligations after the funding hiatus begins, no obligations for payroll after that date should be recorded on official accounts or sent to Embassies or to the Financial Service Centers (FSCs), even for excepted activities. More detailed guidance on submitting time and attendance during the period of the lapse will be provided prior to the deadline for the next submission of time and attendance. (2)

U.S. direct hire salaries, benefits and allowances - While obligations can continue to be established for payrolls for persons performing excepted activities, payments for salaries and allowances may only be made for services rendered through the beginning of the funding hiatus.

(3) Travel - Only travel in fulfillment of excepted activities can be initiated after a lapse of appropriations. Per guidance above, even in cases of travel in this category, obligations made after any lapse of appropriations should not be recorded on official bureau or post accounts even though obligations have been incurred. Blanket travel orders issued prior to the beginning of the funding hiatus are not valid during the lapse period, unless in the case of overseas travel, travel commenced or any cost was incurred for that travel prior to the shutdown. No travel advances can be issued unless the obligation for overseas travel was incurred prior to the beginning of the funding hiatus. Travel voucher reimbursements can be processed only if against obligations incurred and recorded for prior years (including obligations incurred after the beginning of the funding hiatus from multi-year or no-year appropriations that remain available) or for the current year if obligated prior to the beginning of the funding hiatus. Travelers who hold Citibank Travel Cards may charge advances against these cards for any approved trips as travel card advance charges do not create advances to official accounts. As part of GSA Smart Pay cards, Citibank Travel Cards will continue to function normally and banks will continue to provide service. Cardholders, as usual, should contact the bank customer service organization should they experience problems with their cards.

(4) Purchase order payments - Generally, purchase order obligations and payments are to be governed by the above guidance. Obligations for purchase orders prior to the beginning of the funding hiatus should have been recorded. Payments against these obligations can be processed following the "Disbursements" guidance above. Obligations incurred for purchase orders after the beginning of the funding hiatus for excepted activities other than out of prior year appropriations cannot be recorded and payments against these obligations cannot be made. (5)

Cashier payments - Similar guidance applies to all categories of miscellaneous cashier payments. The absence of appropriations does not affect accommodation exchange.

(6) Collections - Post cashiers can continue to process all collections as normal.

(7) Absolutely necessary payments - If it is necessary to make payments in emergency situations (e.g., to protect life or property) against obligations incurred after the beginning of the funding hiatus, the post or the headquarters office should send a memo or email, on a case-specific basis, to request use of carryover funds that the Chief Financial Officer determines

may be available for such purpose. Each request should provide details of the date the funds are needed, the amount, the justification and any other relevant information. Requests of this type should be limited to extreme cases and must be approved by the Director.

- (8) Emergency Volunteer medical services - If the concurrence of the Office of Health Services (OHS/MS) is received, emergency medical travel and services obligations can be incurred but not recorded. Accordingly, payments against such obligations cannot be made. Please coordinate with OHS/MS and follow guidance in paragraph (7) above in emergency situations where payment is required immediately. For medical services funding requests the post should email OHS/MS and the Chief Financial Officer.
- (9) Volunteer living allowances and other subsistence payments – These can be paid if they are obligated prior to the beginning of the funding hiatus. Otherwise, they can be paid only out of carryover funds.