



Guideline for Hospitality & Entertainment Budget
2025

Ministry of Finance
Royal Government of Bhutan

Title:

The Guideline shall be known as the **Guideline for Hospitality & Entertainment Budget 2025**, hereafter referred to as the “Guideline”.

Commencement:

The Guideline shall be effective from February **03, 2025**.

Objective:

The objectives of the Guideline are to:

- a. Provide clear directives on permissible and non-permissible expenditure under H&E budget;
- b. Ensure expenses incurred align with the organization’s mandate and are appropriate;
and
- c. Establish standardized procedural requirements and restrictions for utilization of public funds.

Scope:

The Guideline shall apply to all public servants authorized to use the budget allocated for hospitality & entertainment of the respective budgetary agencies.

Legal Basis:

The Pay Structure Reform Act of Bhutan 2022 has integrated discretionary grants of Cabinet Ministers and equivalent positions holders into the monthly variable pay. Similarly, discretionary grants for Dzongdags and representational grants for Embassy/Mission/Consulate(s) were discontinued and are now included as part of the annual recurrent expenditure.

In line with the rule-making power vested to the Ministry of Finance (MoF) by the Pay Structure Reform Act of Bhutan 2022, the MoF hereby issues the Guideline for implementing the H&E budget.

Definition & Budget Ceiling:

Hospitality & Entertainment is defined as the expenses incurred in the official capacity for entertainment of guests/events that is directly associated with the mandates of the respective organizations/agencies.

The H&E expenses must adhere to the following broad principles:

1. Ensure value for money in all expenditures;
2. Expenses must be directly related to official duties and must not provide personal benefits;



3. Only actual and documented cost shall be expensed; and
4. The cost and level of hospitality & entertainment must be reasonable, non-excessive, and able to withstand public scrutiny.

The approved H&E budget ceiling for Cabinet Ministers and equivalent positions holders, heads of the Constitutional bodies, EMCs, & LTO abroad/agencies/regional offices are provided in ***Annexure I***.

Allowable Expenses and Associated Conditions:

The allowable expenses shall include

- I. Meal & beverages, refreshment/tea & snacks. However, any alcoholic drinks if necessary to be served must be limited to ones locally produced and the value of the beverages shall not exceed the value of meals at any point of time;
- II. Business gifts and souvenirs for official purposes befitting the position level and direct relevance to the organization/agency's mandates;
- III. Offering/expenses associated while representing the organization/agency at the National/Dzongkhag Level Tshechu, Kurims and Rimdros; and
- IV. Tips shall be allowed only for Cabinet Ministers & equivalent position holders during official travel.

Any expenses not cover under I-IV are to be interpreted as not admissible.

General Conditions:

- a. All events under H&E including the list of guests entertained shall be properly documented with bills, invoices, and cash memos, duly verified by the concerned organizing official and endorsed by the hosting official/position holder;
- b. All events under H&E shall be acquired in line with the existing procurement rules and regulations, where applicable;
- c. The Personal Assistant/Secretary (*where applicable*) to the respective public servant shall maintain proper record of expenses made under H&E; and
- d. A duly verified and approved statement of expenditure by the competent authority shall be submitted to the Finance Division for payment and accounting purposes.

Budgetary Procedures:

- a. The annual budget for H&E at the rate approved by the Government shall be provisioned with respective budgetary agency;



- b. The expenditure under H&E shall not exceed the approved H&E budget ceiling by the Government;
- c. The additional H&E budget requirement for the office of the Cabinet Ministers and equivalent position holders beyond the limit set by the Government shall be submitted to the Cabinet for approval with appropriate justifications through MoF;
- d. The expenditure for official guests invited for specific program or event must be charged to the program/event; and
- e. Any un-utilized budget at the end of the financial year shall lapse.

Release, Accounting & Procurement:

Fund releases, procurement (*where applicable*) and accounting shall be as per the Financial Rules and Regulations and the Procurement Rules and Regulations of the Government.

Accountability:

The concerned heads of budgetary agencies allocated with annual H&E budget shall be fully responsible and accountable for payments made and expenditure incurred out of the budget.

Interpretation & Amendment:

The Ministry of Finance shall be the final authority to interpret this guideline and may revise the same from time to time as per the directives of the Government. This guideline shall supersede the "Revised Guidelines for the Hospitality & Entertainment (H&E) Expenditure and Discretionary Grant 2022".



Annexure I

The list of positions and annual budget limit for Hospitality and Entertainment is as given in table below:

Nu. in million

Position Title	Amount
Prime Minister	Actual
Speaker of the National Assembly/Chief Justice of the Supreme Court/ Cabinet Ministers/Chairperson National Council /Opposition Leader/ Chairperson Privy Council	1.500
Heads of Constitutional Bodies, Government Secretaries, Chief Justice of High Court, Commission Secretaries, NA/NC Secretary General, Vice Chancellor RUB, President KGUMSB and NMS, Dean JSWSL	0.160
Ambassadors, Permanent Representatives & Consul Generals - LTOs abroad	
a. RBE New Delhi	7.800
b. RBE, Dhaka	2.695
c. RBE Bangkok	4.870
d. RBE Brussels	2.855
e. RBE Kuwait	2.320
f. RBE Canberra	3.640
g. PMB, New York	4.195
h. PMB, Geneva	4.340
i. RBC, Kolkata	3.880
j. RBC, Guwahati	1.565
k. LTO, Kolkata	0.720
Commandant of Gyalsung Academy, Secretary General of Gyalsung HQ & Dzongdags	0.150
Drangpons of Supreme Court, Commissioners of Constitutional Bodies, Deputy Chairperson/Commissioner of Privy Council, Drangpons of High Court/RG of Supreme Court & High Court, Directors and Director Generals, Thrompons, Thromde Executive Secretaries, Secretary General, BOC.	0.080
Sitting Drangpons in Dzongkhags/Drungkhags/Heads of Regional Offices	0.030
Gups	0.020

