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**IMMEDIATE
ATTENTION**

EBAP/92/125

July 14, 1992

To: Members of the Executive Board

From: The Secretary

Subject: Governors' Per Diem Allowance at Meetings of
the Board of Governors

It has been the practice of the Fund and Bank in recent years to review the adequacy of the per diem allowances for Governors and Alternate Governors in connection with attendance at Annual Meetings on about a three-year to five-year basis. The last review was undertaken in 1988. As a result, the allowances were then increased from \$185 to \$240 for each night that attendance at the Meetings requires Governors and Alternates to spend away from their normal place of residence, and from \$33 to \$43 per night for overnight flights or when hotel accommodation is included in the price of transportation.

As indicated in Attachments I and II, costs have risen significantly between 1988 and 1992. The current average daily subsistence costs likely to be incurred by Governors and Alternate Governors in Washington, D.C. have risen 18.9 percent since 1988 and hotel costs by 27.6 percent (see Attachment I). The costs for meals are shown in Attachment II. Taking these cost factors into account, it is recommended that the per diem allowance be increased by 25 percent to \$300 and \$54, respectively. The standard in-and-out allowance would be increased from \$44 to \$65. The incremental costs to the Fund are estimated to be \$135,000, for which provision would be made in the FY1993 Board of Governors budget, if necessary. Governors and Alternate Governors would also receive their actual transportation expenses to and from the place of meeting. (Changes in Governors' allowances since 1946 are shown in Attachment III.)

Similar proposals are being submitted to the Executive Directors of the Bank.

The following draft decision is proposed for approval by the Executive Board:

The Executive Board approves the recommendation contained in EBAP/92/125 regarding per diem allowance for Governors and Alternate Governors during attendance at meetings of the Board of Governors.

In the absence of an objection by an Executive Director by the close of business on Tuesday, July 28, 1992, the proposed decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Att: (3)

Other Distribution:
Department Heads

Table 1. Average Daily Hotel and Subsistence Costs

(In U.S. dollars)

	Washington, D.C. 1988	Washington, D.C. 1992
Single Room	156.00 <u>1/</u>	199.00 <u>1/</u>
Meals	77.00 <u>2/</u>	90.00 <u>2/</u>
Other Subsistence Expenses: e.g. local transportation, valet, local telephone calls, etc.	<u>13.00</u>	<u>17.00</u>
Total	<u>246.00</u>	<u>306.00</u>

1/ Rates include average actual room costs, occupancy taxes and services charges at the Sheraton Washington, Omni Shoreham and Washington Hilton hotels (the hotels the majority of Governors and Alternates are expected to be using during the Annual Meetings).

2/ Includes D.C. meal tax and gratuities.

Table 2. Meal Costs

(In U.S. dollars)

<u>Meals</u>	Washington,	Washington,
	<u>D.C.</u>	<u>D.C.</u>
	1988	1992
Breakfast	9.00	12.00
Luncheon	23.00	25.00
Dinner	<u>30.00</u>	<u>35.00</u>
Subtotal	62.00	72.00
Meal Tax	5.00 (8%)	6.50 (9%)
Gratuity	<u>10.00</u> (16%)	<u>11.50</u> (16%)
Total	<u>77.00</u>	<u>90.00</u>

Notes:

(1) Median priced meals in the hotels indicated in Attachment I.

(2) Luncheons and dinners include appetizer, soup or salad, entree, dessert and coffee/tea. Alcoholic beverages are not included.

Table 3. Governors' Per Diem Allowance

(In U.S. dollars)

Year of Change	Per Diem Allowance	Reduced Allowance <u>1/</u>
1946	50	10
1964	75	10
1977	100	15
1980	140	25
1983	185	33
1988	240	43

1/ When hotel accommodation is included in the price of transportation.

