

CONTROLLER ALERT: Travel and Conferences

Controller Alerts are designed to bring your attention to emerging financial management issues that may require agency attention or action. These Alerts are intended to make sure that the Chief Financial Officer (CFO) community is aware of key issues where the Office of Management and Budget (OMB) believes further action may be warranted, but do not constitute official guidance or include specific tasks for agencies beyond consideration of appropriate steps to address the issue. Additional Controller Alerts can be viewed at <https://max.omb.gov/community/x/ihXjJg>.

This Controller Alert provides clarification on conference activity in light of the FY 2013 sequestration of non-exempt budgetary resources required by section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended, and supplies information on implementing OMB Memorandums [M-12-12](#), *Promoting Efficient Spending to Support Agency Operations*, and [M-13-5](#), *Agency Responsibilities for Implementation of Potential Joint Committee Sequestration*. In addition, this Alert reminds agencies of conference reporting requirements under the Consolidated and Further Continuing Appropriations Act of 2013 (Public Law 113-6).

Conferences and Travel that Support the Agency Mission

The Administration has taken aggressive steps to curtail conference spending and has installed strict policies and controls to ensure that conference expenditures are cost-effective and advance the mission and programmatic goals of each agency. As each agency reviews its travel and conference-related activities, it is critical for each agency to continue to recognize the important role that mission-related travel and conferences can often play in Government operations. Given the unique travel and conference needs of each agency, there are circumstances in which physical collocation is necessary to complete the mission. These circumstances may include, but are not limited to, collaborations in the scientific community, unique training events for the law enforcement community, or the need to perform formal inspections as part of an agency's oversight and investigatory responsibilities.

In addition, bringing together Federal employees at a single location—such as for program reviews or technical evaluations, presentation of scientific findings, oversight boards or advisory group meetings, international engagements, and standards-setting committees—may be the most efficient and cost-effective means for reviewing Government-sponsored efforts, issues, or challenges. Several agencies rely on meetings with industry and academic colleagues to drive innovation and ensure continued advancement in related fields. Each agency needs to focus any conference and travel spending on mission-critical activities and to ensure any related spending is an effective and efficient use of Federal funds.

Federal Conferences Activity and Sequestration

On March 1, 2013, the President ordered a sequestration of non-exempt budgetary resources for FY 2013 pursuant to section 251A of BBEDCA. The resulting reductions in budgetary resources have led agencies to reduce important agency activities. These reductions will be a continued

constraint on the ability of each agency to carry out important functions, including reduced Government participation in mission-supporting conferences and travel. Consequently, while an agency should not interpret the recent M-12-12 and related guidance as a moratorium on all conference events, agencies and related stakeholders should anticipate a continued reduction in conference and travel activity for the duration of the sequestration order.

Implementation of M-12-12 and M-13-05

Each agency is responsible for implementing its own internal travel and conference policies, and each agency needs to achieve the right balance between reducing spending and meeting mission-critical needs. Accordingly, every agency should provide its employees with specific guidelines on acceptable travel expenses for out-of-office activities and on acceptable conference and travel expenses. While each agency will establish its own guidelines, at a minimum, the following best practices should be considered:

- As a first step in conference planning, an agency should confirm that physical collocation of Federal employees in a conference setting is a necessary and cost-effective means to carry out the agency's mission (and that other, lower-cost options, such as videoconferencing, have been explored).
- Conferences over a \$500,000 and a \$100,000 threshold must be approved by the head of the agency and Deputy Secretaries (or their equivalents), respectively, in accordance with Section 2 of M-12-12.
- Larger, widely-attended conference that are the most cost-effective method for carrying out a specific purpose, must be submitted for review and approval, per M-12-12.
- Hotel costs should be within Government guidelines for [per diem rates](#) as determined by the General Services Administration.
- In accordance with Sections 301-10.106 and 301-10.107 of the Federal Travel Regulation, Federal travelers should consider use of both non-contract and contract airfare to ensure travel is booked and ticketed in a manner that will result in the lowest total trip cost to the Government.¹
- Conference and training fees should follow the Federal Acquisition Regulation (FAR) guidelines for purchases of the activities involved. Events should not include excessive or lavish social components.
- An agency should inquire about the availability of a "no-frills" pricing option from event organizers that exclude any activities that may present unnecessary expenses to the Federal Government.
- Conference events that include a training component should consider the below best practices:
 - Events should clearly and specifically identify the training objectives and outcomes that will be derived by Government personnel;
 - Conferences should not be considered training events absent a written justification by an appropriate official that specifies the learning objectives and mission or job performance outcomes;

¹ A full review of the cost should be considered. For example, if a Federal employee traveling could save \$30 dollars on airfare by flying out of an alternative airport but would incur an additional \$60 dollars in taxi fees, the Federal employee should not fly out of the alternative airport.

- Professional training may include Continuing Education Units (CEUs) or Professional Development Units (PDUs) for areas that are relevant and valuable to the job function of the individual employee and that contribute to maintaining professional accreditation or certification; and
- Events should be evaluated as “full cost activities.” Travel, lodging, and meals should be included in the evaluation and used for comparison to alternatives.

Reporting Requirements on Conferences

Here, we note the conference-spending reporting requirements and limitations imposed by Section 3003 of the Consolidated and Further Continuing Appropriations Act of 2013. Section 3003(a) requires the head of any Executive branch department, agency, board, commission, or office funded by an appropriations Act to submit an annual report to the corresponding Inspector General (IG) or to a senior ethics official, for any entity without an IG, regarding the costs and contracting procedures related to each conference any department, agency, board, commission, or office held² during FY 2013 for which the cost to the United States Government exceeds \$100,000.

Under Section 3003(b), for each conference held during the applicable period, the report must include:

- A description of the purpose of the conference;
- The number of participants attending;
- A detailed statement of the costs to the United States Government, including:
 - The cost of any food or beverages;
 - The cost of any audio-visual services;
 - The cost of employee or contractor travel to and from the conference; and
 - A discussion of the methodology used to determine which costs relate to the conference; and
 - A description of the contracting procedures used, including:
 - Whether contracts were awarded on a competitive basis; and
 - A discussion of any cost comparison conducted by the departmental component or office in evaluating potential contractors for the conference.

Under Section 3003(c), for a conference for which the cost to the Government exceeds \$20,000, the head of the department, agency, board, commission, or office holding the conference must notify the IG or senior ethics official, for any entity without an IG, of the date, location, and number of employees attending the conference. That notification must be within 15 days of the date of the conference.

Under Section 3003(d), a grant or contract funded by an appropriation to an agency may not be used to defray the costs of a conference described in Section 3003(c) that is not directly and programmatically related to the purpose for which the grant or contract was awarded, such as a

² Reporting requirements to the IG under the Consolidated and Further Continuing Appropriations Act of 2013 are limited to agency held conferences. The public reporting requirements under M-12-12 are for both attended and agency hosted and agency held conferences.

conference held in connection with planning, training, assessment, review, or other routine purposes related to a project funded by the grant or contract.

Under Section 3003(e), a department, agency, board, commission, or office is prohibited from using any appropriated funds for travel and conference activities that are not in compliance with M-12-12 (dated May 11, 2012).³

Please direct any questions to Regina Kearney (rkearney@omb.eop.gov) or John Karner (john.karnern@cfoc.gov).

³ Section 1 of M-12-12 imposed restrictions on travel for those agencies subject to the Chief Financial Officers Act (CFO Act) of 1990 (Public Law 101-576). We do not take Section 3003(e) to impose the travel restrictions in Section 1 of M-12-12 on agencies not subject to the CFO Act.