

Background

On September 21, 2011, the Office of Management and Budget (OMB) issued Memorandum M-11-35, “Eliminating Excess Conference Spending and Promoting Efficiency in Government.” That memorandum instructed all federal agencies to conduct a thorough review of the policies and controls associated with conference-related activities and expenses. Additionally, in fiscal year 2012, a provision in the Appropriations Act of 2012 (P.L.112-55) established a requirement for the Department of Commerce to submit to the Office of Inspector General (OIG) quarterly reports outlining cost and contracting procedures related to Fiscal Year 2012 Departmental conferences for which the government’s costs exceeded \$20,000. Finally, in May 2012, OMB issued Memorandum M-12-12, “Promoting Efficient Spending to Support Agency Operations,” which outlined a series of new policies and practices for conference sponsorship, hosting and attendance to ensure appropriate use of federal funds, and directed the implementation of Deputy Secretary review and approval of conferences with net expenditures of \$100,000 or more, and Secretarial review and approval for conferences with net expenditures in excess of \$500,000.

DOC Improvements to Conference Management

The Department of Commerce has enhanced existing conference policy in response to M-11-35 and M-12-12, and communicated this policy to its bureaus through broad dissemination of the written policy, a one-day Department-wide group training session and multiple bureau training sessions. The training outlined roles and procedures to ensure a clear understanding of developed policy, conference definition, approval process, documentation requirements and the conference expense reporting process. The policy also provides guidance to bureaus for maintaining supporting documentation, planning considerations, and decision justifications, and serves as a reminder to travelers to maintain personal documentation per the Federal Travel Regulation (FTR). The Department has provided bureaus with tools to assist with travel estimations, such as travel estimating matrices, and is actively promoting the use of the GSA FedRooms Group and Meetings Tool, and strongly encourages the use of video-conferencing in lieu of in-person events, when appropriate.

The Department has greatly strengthened the approval process to require bureau pre-approval of all conferences, regardless of the dollar limit, and goes above and beyond OMB guidance by requiring

Fiscal Year 2012 Department of Commerce Conference Spending Report

Department-level approval of all conferences equal to or over \$75,000 without consideration of fees, revenue, or gifts. For events with net expenses that exceed \$500,000, Secretary, Deputy Under Secretary and Bureau Chief of Staff approval is required; for events with expenses that equal or exceed \$100,000, Deputy Secretary, Deputy Under Secretary and Bureau Chief of Staff approval is required, and for events with expenses that equal or exceed \$75,000 but are less than \$100,000, the Department Chief Financial Officer/Assistant Secretary for Administration and Bureau Chief Financial Officer approval is required. Finally, the Department's guidance requires an in-depth review of the necessity for and linkage to mission, conference planning activities, contracts and memoranda of agreement (MOA's), and the justifications for venues, expenses, meals and associated activities, if any.

Conference Activity and Savings

In Fiscal Year 2012, the Department of Commerce realized net expenses of approximately \$8.1 million for all conference activities over \$100,000, including attendance at or participation in non-Commerce sponsored events. As a result of the Department's new policies, the Commerce Department also realized an overall savings of \$2.7 million for Fiscal Year 2012. All conferences attended or hosted during Fiscal Year 2012 related to accomplishing the Department of Commerce's mission to promote job creation, economic growth, and sustainable development to improve standards of living for all Americans by working in partnership with businesses, universities and the nation's workforce.