

CONTROLLER ALERT: Travel and Conferences

Controller Alerts are designed to bring your attention to emerging financial management 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. These Alerts are intended to make sure that the Chief Financial Officer (CFO) community is aware of key issues. This Alert includes notice to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) because of reporting specific for Inspectors General. Additional Controller Alerts are available at <https://max.omb.gov/community/x/ihXjJg>.

This Controller Alert provides clarification on travel and conference activity and supplies information on implementing OMB Memorandum M-12-12, *Promoting Efficient Spending to Support Agency Operations*, dated May 11, 2012 and incorporated by reference in the appropriations acts of 2013, 2014 and 2015 in section 3003 of Public Law 113-6, section 119 of Public Law 113-46, and section 739 of Public Law 113-235, respectively.

Clarification on Travel Reductions Required by M-12-12

Travel is often necessary for Federal employees to discharge their duties effectively; however as good stewards of Federal funds, agencies must do all they can to manage their travel budgets efficiently. Section 1 of M-12-12 requires each agency to spend at least 30 percent less on travel expenses (subject to certain exclusions) than in FY 2010 and maintain this reduced level of spending each year through FY 2016. This Controller Alert serves to reiterate that OMB is holding agencies accountable for the top line reduction numbers. Agencies are responsible for finding the right balance between reducing spending and meeting mission critical needs. If agencies have new mission critical travel needs not captured in the original FY 2012 travel reduction targets, OMB will entertain proposals for baseline adjustment.

Agencies are reminded that the quarterly reports to OMB on travel reductions are still required in FY 2015. OMB is currently creating a new OMB MAX site that will be used for reporting purposes, and will notify agencies when it is complete.

Clarification on Agency Approval Authority of Conference Expenses

Section 2 of M-12-12 requires Deputy Secretaries (or their equivalents) to approve the spending for all proposed new conferences to be sponsored or hosted by the agency (or by other Federal or non-Federal entities) where the net conference expenses by the agency will be in excess of \$100,000. Agencies are reminded that this authority can be delegated to a level deemed appropriate by the Deputy Secretary. By delegating the approval authority agencies have found

that the approver is more familiar with the subject of the conference. Agencies are still required to report on conference expenses on a dedicated place on the agencies' official website for conferences expenses in excess of \$100,000.

Additionally, Section 2 of M-12-12 prohibits agencies from incurring net expenses greater than \$500,000 from its own funds on a single conference unless the agency head determines that exceptional circumstances exist whereby spending in excess of \$500,000 on a single conference is the most cost-effective option to achieve a compelling purpose and provides a waiver from this policy. The grounds for this waiver must be documented in writing and included in the annual conference report posted on the agencies' official website. This authority may also be delegated to a level deemed appropriate by the Secretary. This does not apply to any conference-spending reporting requirements imposed by statute.

Pre-approvals for Recurring Events and Non-Government Sponsored Conferences

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. As each agency reviews its travel and conference-related activities, it is critical to continue to recognize the important role that mission-related travel and conferences can often play in Government operations. To prevent lengthy and cumbersome review processes that could hinder an agency's ability to carry out their mission in an efficient and effective manner, agencies should pre-approve known reoccurring conferences and attendance at non-government sponsored conferences. Pre-approving an event does not exclude it from annual reporting requirements.

Clarification on Conferences Subject to M-12-12 Guidance

Agencies are reminded to consult the Federal Travel Regulation GSA Bulletin FTR 14-02 to determine events that meet the reporting requirements under M-12-12. Additionally the M-12-12 approval and reporting thresholds only apply to a single conference. It does not apply to a conference that occurs multiple times throughout the year. Such conferences should be considered separate events for approval and reporting purposes.

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