



The Deputy Secretary of Energy  
Washington, DC 20585

July 6, 2012

MEMORANDUM FOR DAVID B. SANDALOW  
ACTING UNDER SECRETARY OF ENERGY

THOMAS P. D'AGOSTINO  
UNDER SECRETARY FOR NUCLEAR SECURITY

W.F. BRINKMAN  
DIRECTOR, OFFICE OF SCIENCE

HEADS OF DEPARTMENTAL ELEMENTS

NATIONAL LABORATORY DIRECTORS AND SITE MANAGERS

FROM:

DANIEL B. PONEMAN

A handwritten signature in black ink, appearing to read "Daniel B. Poneman".

SUBJECT:

Reporting Conference Related Activities and Spending

As you know, Office of Management and Budget Memorandum M-12-12, dated May 11, 2012 ("OMB Memo"), outlines a series of new policies and practices for conference sponsorship, hosting, and attendance. The intent of these new policies and practices is to ensure that Federal funds are used for purposes that are appropriate, cost effective, and important to the core mission of the Department of Energy (Department or DOE). To assist those who organize and execute conferences, I have asked the Office of Management to gather and make available cost saving best practices from our labs and programs, as well as from other federal agencies, universities, and outside organizations.

Beginning in fiscal year (FY) 2013, the policies and practices set forth below will be implemented using a consolidated annual plan from each Under Secretary and Staff Office within DOE. In the interim, however, instructions are provided here for conferences for which costs have already been incurred and/or approval is needed prior to October 1, 2012.

The most notable requirements of the OMB Memo are that conferences above the \$100,000 level must be approved by the Deputy Secretary, and conferences above \$500,000 are prohibited unless a waiver is issued by the Secretary. A waiver may only be issued in the event of "exceptional circumstances... [where] spending in excess of \$500,000 on a single conference is the most cost-effective option to achieve a compelling purpose ." As offices review their proposed conference costs, please bear in mind that these cost levels are at the agency level,



not the individual office level. Thus, while net expenses for an office may be below a particular threshold, the aggregate expenses for the entire Department may exceed the OMB thresholds. In those instances, offices may be asked to scale back or forego participation in a particular conference.

In compliance with the OMB Memo, DOE Federal employees and contractors shall immediately implement the requirements set forth in this memorandum. This memorandum will be reviewed in six months, and will remain in effect until further notice.

### Approvals

- As set forth in the OMB Memo, the Deputy Secretary must approve all conference expenditures in which the net DOE expenses will exceed \$100,000, but are less than \$500,000.
- Prior to the Deputy Secretary's review, the Head of Departmental Element and appropriate Under Secretary (if applicable) must review and document (see attached) that proposed expenditures are limited to the minimum level necessary to carry out the Department's mission and are consistent with applicable portions of the Federal Travel Regulation and Federal Acquisition Regulation.
- Net DOE expenses of more than \$500,000 on a single conference are prohibited unless a Secretarial waiver is obtained. Waivers will only be granted under the terms set forth in the OMB Memo: the requesting party must demonstrate 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." Thus, requests must demonstrate exceptional circumstances, cost-effectiveness, and a compelling purpose.
- Contracting Officers shall not allow any costs for conferences until these approvals have been obtained. Contractors should be informed that DOE is not directing them to incur expenses to plan conferences, and that DOE will not provide such direction or approval to incur costs unless the conference has been approved under these procedures.
- The above approvals are required for DOE-sponsored conferences, as well as those not sponsored by DOE. It is our judgment that as responsible stewards of taxpayer dollars, DOE sponsored conferences costs can be significantly reduced. The Secretary and I expect all conference sponsors to aggressively seek to curtail costs, including negotiating with venues for meeting space, requiring attendees to carpool, bringing audiovisual equipment rather than renting it, etc. We expect our employees and contractors to be creative and thoughtful in identifying ways to save money.
- Beginning for FY 2013, all approvals will be obtained using the Annual Plans described below. Each Departmental Element Head must establish a process by which the necessary reviews of these plans take place prior to submittal to the Office of Management (MA). MA is then responsible for aggregating information across the Department, coordinating with affected organizations, working with the Office of the General Counsel, and obtaining Deputy Secretarial or Secretarial approvals and waivers as required for the Department.

## Reporting

- Beginning on August 1, 2012, for FY 2013, an Annual Plan of anticipated conference activity for each FY must be submitted to MA by each Departmental Element head, and updated quarterly by the last day of each fiscal quarter.
- Annual plans must include all organizations and contractors that fall under that Departmental Element. See Attachment 1. Note that web-based tools and/or standardized spreadsheets for future submittals are being evaluated, and the intent is for these plans to consist of data rather than a lengthy report. The Annual Plan should include both conferences which will occur during that FY and DOE-sponsored conferences for which planning activities will begin in that FY (even if the conference itself will occur in a subsequent FY).
- Data from these plans will be used by MA to complete the necessary DOE-wide aggregation of costs for each conference, thereby determining when a conference would require approval by the Deputy Secretary or Secretary.
- In order to provide data at a sufficient level of detail, Departmental Elements should request data annually (updated quarterly) from each Management and Operating (M&O) Contractor, each Field Management Contractor, and each federal entity (e.g., Site Office) that falls under that Departmental Element when any one of the following conditions are met:
  - The organization (e.g., the individual contractor or Site Office) will be hosting a conference for 30 or more individuals at which more than half will be on travel status;
  - The organization will be sending 15 or more individuals to a conference; or
  - Conference expenditures are expected to exceed \$100,000.
- MA will be responsible for publishing the required information on agency-sponsored conferences where net DOE expenses exceeded \$100,000 on the DOE website. This will be done by January 31 of each year. To support this requirement, Heads of Departmental Elements must establish a process by which actual costs are captured for each approval given. Actual costs should be reported at the same level of detail as provided in the approval request. Note that web-based tools and/or standardized spreadsheets for these submittals are being evaluated. Also note that while the reporting is for DOE-sponsored conferences, the prior approval requirements are for both DOE-sponsored and non-DOE sponsored conferences.

## Interim Approval Process

- Because the annual planning process will not begin until FY 2013, the following process will be used immediately for all conferences that require approval this FY or for which costs have already been incurred. This section applies only to these interim approvals.
- Each Head of Departmental Element must gather the data outlined in Attachment 1 from each M&O Contractor, each Field Management Contractor, and each federal entity

(e.g., Site Office) that falls within their organization when any one of the following conditions are met.

- The organization (e.g., the individual contractor or Site Office) will be hosting a conference for 30 or more individuals at which more than half will be on travel status;
- The organization will be sending 15 or more individuals to a conference; or
- Conference expenditures are expected to exceed \$100,000.
- This data must be provided to MA by July 13, 2012, so that DOE-wide aggregation can take place. If a conference is sponsored by DOE, the Departmental Element will prepare the package. MA is responsible for preparing approval and waiver packages for non-DOE sponsored conferences that involve more than one Departmental Element; however, for those non-DOE conferences that involve only one Departmental Element, that organization will be responsible for preparing the approval or waiver documentation.
- Any contractor or DOE entity that anticipates a conference where the conditions above are met and for which approval is required before the end of July must contact its Departmental Element's point of contact immediately for further instructions.

### Roles and Responsibilities

- The Secretary of Energy must approve the Department's net expenditure of more than \$500,000 on a single conference via a waiver, if appropriate conditions are satisfied.
- The Deputy Secretary of Energy approves the Department's net expenditure of more than \$100,000 but less than \$500,000, if appropriate conditions are satisfied.
- Office of Management:
  - Runs the approval process using the existing Executive Secretariat collaborative action process for preparing and routing correspondence packages once requests and/or annual plans have been submitted by the Heads of Departmental Elements.
  - Promulgates and updates the requirements contained in this memorandum.
  - Publishes required information on the DOE website for DOE-sponsored conferences where net DOE expenses exceeded \$100,000, beginning in January 2013 for all FY12 conferences and for each year thereafter.
- Each Head of Departmental Element and Under Secretary:
  - Aggressively seeks to curtail costs for every conference they sponsor, including negotiating with venues for meeting space, requiring attendees to carpool, bringing audiovisual equipment rather than renting it, etc.
  - Reviews and documents that expenditures are limited to the minimum level necessary to carry out the Department's mission and are consistent with applicable portions of the Federal Travel Regulation and the Federal Acquisition Regulation.
  - Establishes a process by which the necessary reviews of these plans take place prior to submittal to the Office of Management.

- Appoints a Conferences point of contact to be responsible for collecting the data required above on behalf of their Head of Departmental Element or Under Secretary, where applicable. The Departmental Element or Under Secretary point of contact is also responsible for collecting any questions from the entities within the Departmental Element's cognizance and coordinating responses with MA. Points of contact should send all questions to [conferencequestions@hq.doe.gov](mailto:conferencequestions@hq.doe.gov) . All questions to this mailbox must come through the appropriate point of contact.
- Establish a process by which actual costs are captured for each approval given.
- Heads of Contractor Organizations (e.g., Laboratory Directors):
  - Aggressively seeks to curtail costs for every conference they sponsor, including negotiating with venues for meeting space, requiring attendees to carpool, bringing audiovisual equipment rather than renting it, etc.
  - Ensure that conference expenditures are kept to the minimum level necessary to carry out the Department's mission and are consistent with applicable portions of the Federal Travel Regulation, Federal Acquisition Regulation.
- Office of the General Counsel:
  - Provides legal review for all conference packages.

#### Additional Guidance

- Individuals who will be submitting, reviewing, and/or approving conference requests must review the General Counsel Guidance on Conducting and Participating in Conferences: <http://energy.gov/gc/downloads/gc-guidance-conducting-and-participating-conferences-0>.
- Programs should not expect or assume that Secretarial waivers of the \$500,000 conference limit will be granted. Rather, programs will have to meet the standards as specified in the OMB Memo, specifically that the Secretary must determine "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."
- In estimating conference expenses, please keep in mind a margin of error and submit approval requests where expenses may exceed the \$100,000 or \$500,000 thresholds.
- Conference activities are encouraged to be conducted at federal facilities whenever possible.

## **Attachment 1: Data Required for Annual Conference Plans and Interim Approvals**

Each DOE Headquarters Office, Management and Operating (M&O) Contractor, Field Management Contractor, and federal entity (e.g., Site Office) must report this data when any one or more of the following conditions are met. The M&O Contractors, Field Management Contractors, and Site Office should report this information to their applicable Headquarters Office.

- The organization (e.g., the DOE HQ office, individual contractor or Site Office) will be hosting a conference for 30 or more individuals at which more than half will be on travel status;
- The organization will be sending 15 or more individuals to a conference; or
- Conference expenditures are expected to exceed \$100,000.

The following certifications for all conferences must be provided by the head of the submitting organization.

- I certify that the conferences and attendance described here advance the DOE mission and cannot be accomplished in any other manner. Costs and attendance are limited to levels necessary to advance DOE missions.
- I have reviewed the OMB Memorandum dated May 11, 2012, and the DOE General Counsel's Guidance on Conducting and Participating in Conferences, and these proposed conferences will comply with the guidance in those documents.
- No Federal funds will be used for unnecessary or inappropriate purposes and all conferences expenses and activities will comply with both the FTR and the FAR requirements on lodging, food, and beverages, per diem reimbursement, and contracting of goods and services.
- Proposed conference attendance and expenses are limited to that required to carry out the mission of the conferences.
- I understand that per the OMB Memo, expenses for DOE-sponsored or DOE co-sponsored conferences that exceed \$100,000 must be reported. The specific data requested in the OMB Memo at pp. 4-5 is being collected and will be reported.
- Using a Government facility to hold DOE-sponsored or co-sponsored conferences was considered and rejected because (state reason). Or, state that these conferences will be held in a Government facility.
- Event planners used for these conferences have been informed of all restrictions under appropriate statutes, regulations, and guidance and have agreed to abide by those restrictions.

### **DOE-Sponsored Conferences**

The following data must be included for each conference meeting the approval criteria that DOE is sponsoring. This information will be used by the Departmental Element and Under Secretary to review conference plans and request appropriate approvals through the Office of Management. Each Annual Plan submittal, by the originating entity as well as the Departmental Element and Under Secretary once consolidated, must contain an assurance statement that effective internal controls, policies, and procedures are in place to monitor

conference activities and spending. After the conference has been held or attended, reporting on the actual costs and attendance using the tables below is also required.

- Sponsoring organization(s), including co-sponsors
- Name of responsible DOE Federal Program manager
- Conference title
- Conference location (city, state, and venue), including alternatives that were considered and why the least costly option was not selected (if appropriate)
- Conference dates
- Description of the conference, including how it will advance DOE’s mission
- Brief statement explaining why the conference cannot be accomplished in any other manner (video conference, etc.), and how the expected level of attendance and expenses are limited to levels necessary to advance DOE’s mission
- Anticipated number of individuals paid for by DOE, using Table 1, including a short description of the process used to ensure the minimum number appropriate to meet mission needs
- External groups, stakeholders, etc. expected to attend
- Estimated gross event costs, using Table 2
- Additional efforts that have been made to curtail costs (negotiating for meeting space with the hosting venue, carpooling, shared rental cars, etc.), including why a government facility was not selected (if applicable)

**Table 1. Estimated Numbers of Individuals Attending**

|   | DOE Federal Employees | Contractor Employees | Other | Total |
|---|-----------------------|----------------------|-------|-------|
| Presenters (includes those speaking at the conference)  |                       |                      |       |       |
| Active Participants (includes those presenting posters and session chairs, as well as those necessary for organizing and implementing the conference) |                       |                      |       |       |
| Other attendees (everyone not presenting, chairing a session, presenting a poster, or involved in conference planning)                                |                       |                      |       |       |
| <b>Total</b>  |                       |                      |       |       |

**Table 2. Estimated Costs**

|   | \$ |
|---|----|
| <b>EVENT COSTS</b>  |    |
| <p>Meeting space/equipment and amenities to be paid by DOE (Break down these costs as much as possible into sub-categories to provide an explanation of these expenses. If category exceeds \$50K – breakdown is required. If a Comprehensive Meeting Package (CMP) is used and costs exceed \$50K – list what is included in the CMP)</p> <p>Note that conference sponsors are expected to aggressively negotiate with hosting venues to curtail these costs, and must ensure that overall costs are kept to the minimum necessary to achieve the DOE mission.</p> |    |
| Contractor costs (e.g., contractor time spent conducting conference planning, on-site logistics). Break down these costs as much as possible into sub-categories to describe what contractor costs are being spent on. If category exceeds \$50K –breakdown of costs is required.)  |    |
| Registration fees to be paid by DOE   |    |
| Additional costs, broken out by expenditure (If Miscellaneous is used as a Category – list what is included for this amount)  |    |
| Sub-Total, Event Costs  |    |
| <b>TRAVEL AND PER DIEM COSTS</b>  |    |
| Travel and per diem for Federal employees (include airfare, rental car, parking and other misc, also note the average estimated travel costs per employee)  |    |
| Travel and per diem for contractor employees  |    |
| Other (e.g., invited speakers)  |    |
| Additional costs (separately break down each additional cost)   |    |



|   |  |
|---|--|
| Sub-Total, Travel and Per Diem Costs  |  |
|   |  |
| Total Gross Costs   |  |
| Estimate of Recovery through Registration Fees and/or Exhibit Fees<br>from non-DOE participants |  |
| Total Net Cost  |  |

**Non-DOE Sponsored Conferences**

The following data must be included for conference attendance meeting any of the above criteria at a non-DOE sponsored conference. This information will be used by the Departmental Element and Under Secretary to review conference plans and request appropriate approvals through the Office of Management.

- Sponsoring organization(s), including co-sponsors
- Conference title
- Conference location (city, state, and venue)
- Conference dates
- Description of the conference, including how it will advance DOE’s mission
- Brief statement explaining how the expected level of attendance and expenses are limited to levels necessary to advance DOE’s mission
- Anticipated number of individuals paid for by DOE, using Table 1, including a short description of the process and controls used to ensure the that the attendees from the submitting entity’s organization are limited to the minimum number appropriate to meet mission needs
- Estimated gross event costs, using Table 2, understanding that most Event Costs will not apply
- Efforts that have been made to curtail costs (carpooling, shared rental cars, etc.)

**Attachment 2. Memorandum Template for Interim Approvals**

This template is to be used by Departmental Elements and Under Secretaries (where applicable) to request approval of individual conferences prior to October 1, 2012.

MEMORANDUM FOR DANIEL B. PONEMAN  
DEPUTY SECRETARY OF ENERGY

THROUGH: Appropriate UNDER SECRETARY (if applicable)

FROM: Name and title of HEAD OF DEPARTMENTAL ELEMENT

SUBJECT: ACTION: Request for Conference Approval

**ISSUE:** Requesting approval of the [*Title of Conference*] which is proposed to be held on [*Dates*] in [*City, State, and Venue*]. This conference is estimated to exceed \$100,000 in net DOE expenses, but will not exceed \$500,000 in net DOE expenses.

*[For conferences where expenses were incurred before May 11, 2012, state as follows:]*

Expenses for this conference have been incurred before May 11, 2012. The following expenses, incurred before May 11, 2012, would not be recoverable/refundable in the event of cancellation: [quantify and identify those non-refundable expenses, including, but not limited to hotel deposit, some portion of travel expenses, some portion or all of registration fees]:

[Identify any date by which financial consequences will be incurred, and identify what those consequences are.]

**BACKGROUND:**

**Certifications:**

1. I have reviewed the OMB Memorandum dated May 11, 2012 (“OMB Memo”) and the DOE General Counsel’s Guidance on Conducting and Participating in Conferences, and this proposed conference will comply with the guidance in those documents.
2. No Federal funds will be used for unnecessary or inappropriate purposes and all conferences expenses and activities will comply with both the FTR and the FAR requirements on lodging, food, and beverages, per diem reimbursement, and contracting of goods and services. (OMB Memo, p. 4)
3. The proposed conference attendance and expenses are limited to that required to carry out the mission of the conference. (OMB Memo, p. 4)
4. This conference will not exceed \$500,000 in net expenses by DOE.
5. I understand that per the OMB Memo, expenses for DOE-sponsored or DOE co-sponsored conferences that exceed \$100,000 must be reported. The specific data requested in the OMB Memo at pp. 4-5 is being collected and will be reported.

6. [For DOE-Sponsored or co-sponsored Conferences Only] Using a Government facility to hold the conference was considered and rejected because (state reason). Or, state that the conference will be held in a Government facility.
7. [If you plan on using an event planner, state why Federal employee resources could not be used, and state the event planner has been informed of all restrictions under appropriate statutes, regulations, and guidance and has agreed to abide by those restrictions]. Any additional information can be provided in this section, but the language "Event planner has been informed of all restrictions under appropriate statutes, regulations, and guidance and has agreed to abide by those restrictions." must be included.

Information on the conference is as follows:

[include all information that will eventually be required in Annual Conference Plans, as shown in Attachment 1 to this memorandum]

**RECOMMENDATION:** That you approve a waiver for this conference.

APPROVE: \_\_\_\_\_ DISAPPROVE: \_\_\_\_\_ DATE: \_\_\_\_\_

Concurrences: GC, MA

### Attachment 3. Memorandum Template for Waivers

This template is to be used by Departmental Elements and Under Secretaries to request approval of all waivers, even waivers discussed in Annual Plans.

MEMORANDUM FOR STEVEN CHU  
SECRETARY OF ENERGY

THROUGH: DANIEL B. PONEMAN  
DEPUTY SECRETARY OF ENERGY

FROM: Appropriate UNDER SECRETARY, where applicable, or Head of  
Departmental Element

SUBJECT: ACTION: Request for Conference Waiver

**ISSUE:** Requesting a waiver to hold the [*Title of Conference*] which is proposed to be held on [*Dates*] in [*City, State and Venue*]. This conference is estimated to exceed \$500,000 in net DOE expenses.

[*For conferences where expenses were incurred before May 11, 2012, state as follows:*]  
Expenses for this conference have been incurred before May 11, 2012. The following expenses would not be recoverable/refundable in the event of cancellation: [quantify and identify those non-refundable expenses, including, but not limited to hotel deposit, some portion of travel expenses, some portion or all of registration fees]:

[Identify any date by which financial consequences will be incurred, and identify what those consequences are.]

#### **BACKGROUND:**

##### **Certifications:**

1. I have reviewed the OMB Memorandum dated May 11, 2012 (“OMB Memo”) and the DOE General Counsel’s Guidance on Conducting and Participating in Conferences, and this proposed conference will comply with the guidance in those documents.
2. No Federal funds will be used for unnecessary or inappropriate purposes and all conferences expenses and activities will comply with both the FTR and the FAR requirements on lodging, food, and beverages, per diem reimbursement, and contracting of goods and services. (OMB Memo, p. 4)
3. The proposed conference attendance and expenses are limited to that required to carry out the mission of the conference. (OMB Memo, p. 4)

4. I understand that per the OMB Memo, expenses for DOE-sponsored or DOE co-sponsored conferences that exceed \$100,000 must be reported. The specific data requested in the OMB Memo at pp. 4-5 is being collected and will be reported.
5. [For DOE-Sponsored or co-sponsored Conferences Only] Using a Government facility to hold the conference was considered and rejected because (state reason). Or, state that the conference will be held in a Government facility.
6. [If you plan on using an event planner, state why Federal employee resources could not be used, and state the event planner has been informed of all restrictions under appropriate statutes, regulations, and guidance and has agreed to abide by those restrictions].

Information on the conference is as follows:

[include all information that will eventually be required in Annual Conference Plans, as shown in Attachment 1 to this memorandum]

Provide a detailed explanation of the exceptional circumstances that exist whereby spending in excess of \$500,000 on a single conference is the most cost-effective option to achieve a compelling purpose. See OMB Memo at p. 4. Requests must demonstrate exceptional circumstances, cost-effectiveness, and a compelling purpose.

**RECOMMENDATION:** That you approve this conference.

APPROVE: \_\_\_\_\_ DISAPPROVE: \_\_\_\_\_ DATE: \_\_\_\_\_

Concurrences: GC, MA