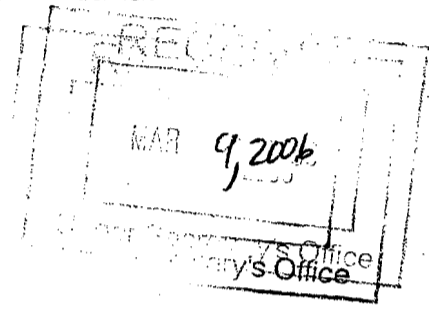


MAR -6 2006



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer
Assistant Secretary for Administration
Washington, D.C. 20230



MEMORANDUM FOR See Distribution List

FROM: Lisa *Casias*
 Acting Deputy Chief Financial Officer and
 Director for Financial Management

SUBJECT: Department of Commerce Policy Regarding the Use of
 Appropriated Funds for Food at Formal Government-Sponsored
 Conferences

The Government Accountability Office (GAO) has issued an opinion relating to the use of appropriated funds to pay for food at formal conferences sponsored by federal agencies (B-300826, March 3, 2005). As set forth in GAO's opinion, appropriated funds may be used to pay for refreshments or meals for attendees—whether federal employees or private citizens—at a formal conference sponsored by a federal agency under certain circumstances. In general, such expenditures are allowable if three criteria are met:

- (1) meals and refreshments must be incidental to the conference;
- (2) attendance when meals or refreshments are served is important for the host agency to ensure full participation in discussions, lectures, or speeches that are essential to the conference; and
- (3) the conference includes substantial activities or functions in addition to those activities involving food.

The attachment to this memorandum sets forth detailed policy guidance in applying this decision to expenditures incurred by the Department of Commerce pending revision of Department Administrative Order 203-10, "Official Entertainment and Representation Authorizations."

Please feel free to direct any questions that you may have to me at 202-482-1207. Thank you.

Attachments

cc: Elise Packard, Office of General Counsel
Operating Unit Chief Financial Officers/Chief Administrative Officers

**USE OF APPROPRIATED FUNDS
TO PAY FOR FOOD AT
FORMAL GOVERNMENT-SPONSORED CONFERENCES**

PURPOSE:

This policy implements the Government Accountability Office (GAO) opinion indicating that appropriated funds may be used to pay for food—whether for federal employees or private citizens—at formal government-sponsored conferences (B-300826, March 3, 2005). It establishes the criteria to be used in determining the appropriateness of such expenditures and approval requirements.

Department Administrative Order 203-10, “Official Entertainment and Representation Authorizations,” will be revised to incorporate this policy.

AUTHORITY:

An agency generally does not require express statutory authority to host a conference as long as the agency determines that a formal conference is reasonably and logically related to carrying out its statutory responsibilities and serves its statutory mission.

GAO’s opinion indicates that meals and refreshments may be considered reasonable and legitimate expenses for formal conferences if three criteria are satisfied:

- (1) meals and refreshments must be incidental to the conference;
- (2) attendance when meals or refreshments are served is important for the host agency to ensure full participation in discussions, lectures, or speeches that are essential to the conference; and
- (3) the conference includes substantial activities or functions in addition to those activities involving food.

POLICY:

A formal conference must involve topical matters of interest to and the participation of multiple agencies or nongovernmental participants. For this purpose, participation means that representatives from these entities attend the conference.

A formal conference must include, at a minimum:

- registration;
- a published, substantive agenda; and
- scheduled speakers or discussion panels.

Light refreshments for morning, afternoon, and evening breaks are defined to include but are not limited to coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins. Formal conferences should be scheduled for at least a full day in order to serve meals and at least 1/2 day in order to serve light refreshments.

All requests for the use of appropriated funds for refreshments at conferences should be prepared using the CD-464, “Request for Authorization for Official Entertainment,” and receive prior written approval from the Chief Financial Officer (CFO) for the involved operating unit or, for those operating units without CFOs, the equivalent level official. The request should provide sufficient details to explain how the criteria have been satisfied.

Bureaus should consult with the Office of General Counsel regarding questions that may arise regarding the use of appropriated funds for this purpose.