## Memorandum

## Department of Veterans Affairs

Date: September 26, 2012

From: Chief of Staff (00A)

Subj: Department of Veterans Affairs (VA) Conference Oversight (VAIQ# 7280489)

To: Under Secretaries, Assistant Secretaries, and Other Key Officials

- 1. This memorandum supersedes all memoranda previously issued by the Department of Veterans Affairs (VA) Chief of Staff concerning conference oversight, and provides updated guidance on the planning, review, approval, and execution requirements for conferences. See Attachment 1. The Department standard is clear: we will strictly adhere to statutes, regulations, policies, and procedures concerning conference planning, approvals, acquisitions, and execution. This standard requires robust oversight and management controls by our leaders as outlined in this memorandum and the attached documents. VA leaders and employees must continue to comply with Public Law 112-154, Section 707- Quarterly Reports To Congress on Conferences Sponsored By The Department, and OMB M-12-12, dated May 11, 2012 "Promoting Efficient Spending to Support Agency Operations." See Attachment 3.
- 2. The Secretary has directed two external, independent reviews: one focused on VA's training and another on conference policies, principles, and procedures. The review related to training will assess the adequacy of VA's current controls over training requirements determination and approach, trainee selection, effectiveness measures, and whether those policies, principles and procedures are implemented effectively and consistently throughout the Department. The review focused on conferences will examine the adequacy of VA's controls over conference planning and related acquisition processes and how those controls are implemented throughout the Department. Both reviews will examine our internal policies as well as look for best practices from other government agencies, as we seek to implement the Administration's guidance to reduce expenses. After the conclusion of the third party reviews of VA's conference planning execution and oversight policies and practices, a "Conference Planning, Execution and Oversight" directive and handbook will be published in third quarter of Fiscal Year 2013.
- 3. <u>Background:</u> Standards for determining when and how federal agencies execute conferences are evolving. OMB recently provided all federal agencies guidance that sets a standard with regard to the need for collocation of employees during meetings and conferences. Specifically, OMB states that, "agencies must 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." OMB guidance further states that "agencies should begin their reviews by presuming that physical collocation as part of a conference is not required in the majority of cases." OMB indicates their expectation that professional development needed to keep skills current for human resources, accounting, procurement, or other government professionals be done by VTC, webinars, or other electronic means. VA recognizes electronic means are useful tools, but also that not all clinical training and professional development can be accomplished through these mediums.

OMB also requires that agencies ensure that appropriate policies and controls are in place to limit food, beverage, or other refreshment costs at conferences sponsored or hosted by the agency, as well as lodging costs for employees attending conferences and fees paid to subject-matter experts to speak at conferences. They also remind us that agencies should look to host or sponsor conferences in space controlled by the Federal Government where possible in order to reduce costs. OMB also emphasizes entertainment-related expenses are expressly prohibited, including paying for motivational speakers, as contrasted to speakers with specific subject-matter expertise in the topic of the conference. OMB also specifically mentions that promotional items are an unallowable expense. (Danny Werfel, Aug 31, 2012, Controller Alert - Federal Conferences and Real Property Data Quality)

- 4. **Definitions:** The Department of Veterans Affairs (VA) will adhere to the definition of "conference" included in OMB Memorandum (M-12-12), which uses "conference" as defined in the Federal Travel Regulation (FTR): "[a] meeting, retreat, seminar, symposium or event that involves attendee travel. The term "conference" also applies to training activities that are considered to be conferences under 5 CFR 410.404." Therefore, conferences covered by these guidelines include all conferences, training sessions, meetings, Advisory Committee meetings, rehabilitative sporting events, or similar events where travel is involved that are VA hosted or co-hosted, or other Federal or non-Federal entities host, without regard to number of attendees or dollar value. In addition to activities included in the definitions above, activities such as Federal Executive Institute; senior leader courses; administrative board hearings, e.g., Board of Veterans' Appeals hearings; and award ceremonies will be treated as conferences. While we recognize that an administrative board hearing, for example, may not meet the threshold levels for approval, the entity hosting the activity is responsible for the same degree of scrutiny and oversight as with any conference or training event hosted by VA. All thresholds referenced in this memorandum are inclusive of travel and non-travel costs.
- 5. **Approval Authorities**: Approval authorities, which shall not be re-delegated, for conducting conferences which VA-hosts or co-hosts, or other Federal or non-Federal entities host are as follows(See Attachment 2):
  - a. where the projected costs to VA are in excess of \$500,000, conferences are generally prohibited. Any waivers of this restriction must be approved by the

- Secretary. (See Attachment 6). Requests for a waiver will be reviewed by the Deputy Secretary and the Chief of Staff who will make recommendations to the Secretary no later than 60 days prior to the event;
- b. where the projected costs to VA are in excess of \$100,000 but less than \$500,000, the Deputy Secretary and the Chief of Staff will continue to review. (See Attachment 5). The Deputy Secretary will approve proposals no later than 60 days prior to the event;
- c. where the projected costs to VA are at least \$20,000 but less than \$100,000, the conference must be approved by the Under Secretary, Assistant Secretary or equivalent of the organization proposing to conduct the conference no later than 60 days prior to the event; and
- d. where the projected costs to VA are less than \$20,000, the conference may be approved in accordance with the sponsoring Administration or Staff Office's established approval process no later than 30 days prior to the event. The Administration or Staff Office is responsible for ensuring that the approving authority is a Senior Executive or SES-equivalent. Administrations and Staff Offices will ensure that the same appropriate guidelines, statutes, policies, and regulations are followed for the review and approval process for a conference costing the VA less than \$20,000 or having less than 50 attendees.
- e. For a graphical depiction of budgetary thresholds, please see Attachment 3.
- f. Approval is required when exhibiting (display booths, recruitment fairs, etc.) or participating at conferences hosted by other Federal or non-Federal entities. Further guidance on approval requirements will be provided by October 15, 2012.
- g. Commitment of any funds or obligation to the government is prohibited prior to the review and approval of the specified Approval Authority.
- h. Waiver of timelines may be granted by the specified Approval Authority with sufficient justification to request an exception.
- 6. <u>Process</u>: VA's conference process will have four phases: Concept, Development, Execution, and Reporting. (See Attachment 4). Each phase will have objectives, metrics, and standards of execution. Starting in October 2012, VA will begin a quarterly Conference Planning and Execution Briefing Cycle.

Each Administration and Staff Office will be responsible for briefing the Chief of Staff quarterly on any anticipated conferences VA proposes to host or co-host, or Federal or non-Federal hosted conferences VA employees will attend, during the next twelve months. All planned conferences costing VA over \$20,000 each will require a concept plan. The format for the concept plan will be posted on the portal (to be developed) and will be the same as the format currently utilized for current fiscal year submissions. However, all planned conferences costing VA less than \$20,000 each will be submitted in a lump-sum estimate as part of the quarterly briefing to the Chief of Staff.

- a. Conference Planning Cycle: Ninety days prior to the start of a fiscal quarter, the Chief of Staff will host a meeting of the Administrations and Staff Offices to review and authorize planning and business case development for all conferences proposed to cost VA \$20,000 or more in funds or resources. After the Chief of Staff performs an initial review of the fiscal year plan, each Administration and Staff Office are required to brief the Chief of Staff on their individual fiscal year conference plan. Each Administration and Staff Office must ensure that their budget officer is fully integrated into the decision process of all four phases to ensure fiscal discipline. Deviations of more than 5 percent above the approved conference budget require notification back to the approving authority and will require additional approval if budgetary thresholds are crossed. Templates for information required will be contained in the conference portal. By exception, with appropriate justification, a conference can be submitted for approval out of cycle as long as all planning requirements have been met.
- b. <u>Concept Phase</u>: VA will establish a disciplined conference approval process, which will begin with the concept phase. Once an organization has a concept for a conference, that concept will be developed and included in the Concept Authorization Briefing as part of the quarterly Conference Planning and Execution Briefing Cycle.
- c. <u>Development Phase</u>: This phase includes the development of the business case and the guidance for the planning and execution of the potential conference, and certification by the Conference Certifying Official (CCO).
- d. <u>Execution Phase</u>: This phase covers the period after the conference has been approved and the Administration or Staff Office has begun to execute the fully developed plan.
  - i. Site visits are authorized but must be approved by the Responsible Conference Executive (RCE). The use of any site visit should be limited to situations where all other reasonable alternatives such as Web searches, use of Internet, phone conversations and teleconferencing have proven insufficient with the proposed conference site vendors. All approved site visits will minimize days of travel and travelers.
  - ii. In accordance with the Office of Acquisition and Logistics Information Letter (IL-049-12-12) located at: http://www.va.gov/oal/docs/library/ils/il02\_12.pdf, Legal and Technical Review of Proposed Contracts for Conferences, all proposed contracts for conferences, where VA's commitment, expenditure and liability combined exceed \$25,000, require legal and technical review prior to signature by a VA Contracting Officer.
- e. Reporting Phase: This phase covers the period after the execution of the conference. Administrations and Staff Offices will ensure that conferences were executed in accordance with applicable policies and regulations, and they must also conduct After Action Reviews. (See Attachment 13). Administrations and Staff Offices will assist in VA's continuing duty to track and report conference attendance and spending in accordance with Public Law 112-154 and OMB M-12-12.

- 7. <u>Responsibilities</u>: Each Administration and Staff Office must develop internal supervisory controls for oversight of the execution of the conference, including appropriate checks and balances.
  - a. Each Administration and Staff Office shall appoint in writing at least one CCO. (See Attachment 7). The CCO shall be a Senior Executive or SES-equivalent. The designee shall be familiar with the regulations and policy related to the conduct of conferences, training, and meetings. All conference proposals where costs to VA are expected to exceed \$20,000 must be reviewed and certified by the CCO as being in compliance with regulations and policy.
  - b. A Senior Executive official shall be designated in writing as the RCE for any covered conference estimated to cost at least \$20,000 (See Attachment 10). The RCE is to be responsible for ensuring adherence to all applicable statutes, regulations, and policies when executing the approved conference. The RCE will nominate an appropriately qualified person to serve as the Program Manager (PM). (See Attachment 14).
  - c. The RCE must certify that due diligence was exercised during the execution stage of a conference within 15 days of the conclusion of the conference. Examples of due diligence include, but are not limited to, requiring prior approval of any conference-related expenditure, including any use of purchase cards, and the RCE ensuring that there is a rational basis for the approval of lodging upgrades. This also includes ensuring that no conference includes expenditures for the use of entertainment (videos, music, etc.), motivational speakers, the purchase of SWAG ("Stuff We All Get") or promotional items, or the use of funds to emboss or otherwise imprint the name of the organization or event on any supplies, mementos, or other handouts. Further, within 30 days of the completion of the conference, the RCE will ensure that an After Action Review is conducted.
  - d. The Under Secretary, Assistant Secretary, or equivalent official's recommendation or approval of a conference validates that appropriate due diligence was conducted and that the business case for the event justifies the venue and the use of resources (financial, time, and people). Additionally, the Under, Assistant Secretary or equivalent is confirming that the Conference Certifying Official (CCO) (See Attachments 8, 9), and RCE (See Attachments 11, 12), and all other planning personnel have adhered to all published guidance. This is an essential element of VA's oversight and conference execution practice to ensure VA maintains the public trust in the expenditure of public funds and that all possible measures have been taken to ensure compliance with applicable policies and regulations.
- 8. Reporting Requirements: VA will continue to track and report conferences in accordance with Public Law 112-154, Section 707 and OMB M-12-12, dated May 11, 2012.

- a. The data to be reported includes, but is not limited to: transportation and parking; per diem payments; lodging; rental of halls, auditoriums, or other spaces; rental of equipment; refreshments; entertainment; contractors; and brochures or other printed media. All current reporting requirements will continue to be based on established employee participation and dollar thresholds established above. Along with reporting prior fiscal quarter conference data, PL 112-154 also requires information on conference costs for VA sponsored or co-sponsored conferences above \$20,000 that are planned during the fiscal quarter in which the report is submitted.
- b. To accomplish the data collection and reporting activities associated with conference activity, the VA Chief Information Officer (CIO) will create a Webbased portal with initial operational capabilities (IOC) by October 1, 2012. Final system (after IOC) will include capabilities to allow for the capture, certification, and generation of standard and special purpose reports. The CIO will outline a plan with requirements and milestones to achieve full capability in 2013.
- c. This portal will allow for the capture of data elements required for reporting purposes. Organizational CCOs and RCEs will be responsible for entering and certifying the accuracy of the data within 15 days following the conclusion of each conference.
- 9. <u>Mandatory Individual Training</u>: Leaders will ensure all employees and supervisors complete required training.
  - a. All employees involved with the planning and implementation of conferences, including training events, are to undergo mandatory VAapproved ethics training. This requirement is also extended to all contract specialists. This training is available in VA's Talent Management System (TMS). The employee must view one of two videos, view the VA Ethics Contact list, and self-certify completion of both steps. The two videos are entitled "Inside Ethics" (TMS ID # 7505) and "Ethics Most Wanted" (TMS ID # 31726). Supervisors at all levels will ensure designated personnel within these categories complete training.
  - b. VA's financial policy provides that all purchase card holders are required to take purchase card training every 2 years and pass a test upon completion of the training. This training (available in TMS) covers the proper use of the purchase card, following appropriation law, and specifically outlines prohibited uses, such as buying employee food or refreshments and splitting purchases. VA policy provides that if the cardholder's training is not current, the cardholder's Agency Organization Program Coordinator is required to immediately lower the card limit to \$1 and request suspension of the cardholder's purchase card. Supervisors will ensure that purchase card approving officials have completed their required training. Senior leaders have the latitude to direct any subordinate having responsibility for the review and approval of funds for conferences or training sessions to

- complete this training. Supervisors at all levels will ensure designated personnel within these categories complete this training.
- c. VA financial policy also requires that all VA travel cardholders take travel card training every 3 years and pass a test upon completion of the training. This training in TMS covers the appropriate use of the travel card and consequences that may result from inappropriate/misuse of the travel card. The policy provides that if the cardholder's training is not current, the credit limit is established at \$1 until training has been completed. The travel card may be suspended or revoked for inappropriate use or misuse.
- 10. **Staffing**: VA must ensure appropriate staffing for departmental oversight and reporting. The Office of Management, Office of General Counsel, Office of Acquisitions, Logistics, and Construction, and Office of the Secretary staffs will develop a concept of operation for combined efforts with recommendations for a joint organizational solution for these offices to ensure that public funds are being expended in the most efficient and appropriate manner possible as we execute our required training to better provide quality services and benefits to Veterans, their families, and survivors. This recommendation will be presented to the Chief of Staff no later than October 15, 2012. Administrations and Staff Offices will develop a concept of operation for implementation, and management and oversight of conferences to include staffing and resource requirements to be briefed to Chief of Staff no later than October 31, 2012.
- 11. All conferences scheduled but not yet executed, regardless of any previous approvals, from this date forward will be reviewed to ensure compliance with these established standards for execution. Until organizational CCOs and RCEs are appointed, Senior Executive or SES-equivalent leaders will perform the duties required and certify each conference. Approval timelines will be adjusted to ensure conferences within 90 days of the memorandum are appropriately approved at the correct levels.
- 12. Lest we forget, we are guided by our VA I-CARE core values (Integrity, Commitment, Advocacy, Respect, and Excellence) as we conduct our daily duties serving Veterans. We are not immune to the mistakes made by those in the past. All conferences, meeting and training events are to be planned and executed to the highest ethical standards and in compliance with our values. We must be diligent to use our training resources prudently to carry out VA's sacred mission to serve Veterans.
- 13. The points of contact for this policy and oversight memorandum are Dave Thomas at (202) 461-4873 and Jack Kammerer at (202) 461-4845.

John R. Ginarich

## Attachments:

- 1. <u>VA Hosted or Co-Hosted Conference Request Guidance</u>. This document provides guidance on the planning and execution phases, applicable references and resources. It is to be used by conference planners, CCOs, and RCEs.
- 2. <u>Conference Approval Process Flow Chart</u>. This is a visual approval flow chart on the proper reviews and approvals needed to execute a conference based on established thresholds. This form should be used by all approving officials.
- 3. Reporting and Approval Matrices for Conferences Hosted or Co-Hosted by VA (or other Federal or Non-Federal Entities). This form assists offices in understanding the various approval and reporting thresholds
- 4. <u>Conference Briefing and Reporting Milestones</u>. This form assists offices with the various milestones associated with conference planning and reporting.
- 5. <u>Conference Request Memorandum Template</u>. This form that will be used for Chief of Staff review and Secretary or Deputy Secretary approval. This form is to be used by staff members who are planning the conference.
- 6. <u>SECVA Conference Approval Waiver Template</u>. This form is used for requesting approval of any conference that will cost VA at least \$500,000.
- 7. <u>Conference Certifying Official Appointment Memo</u>. This form is used by Administrations and Staff Offices to appoint their CCO.
- 8. VA Hosted or Co-Hosted Conference Proposal Checklist for Conference Certifying Officials. This form is used by the CCO as a nonexclusive list of items to ensure that the conference planning has been conducted in accordance with all applicable statutes, regulations, and policies. This is used in conjunction with the Conference Certification Form.
- 9. <u>Conference Certification Form Template</u>. This form is used by the CCO to certify the conference's planning was conducted in accordance with all applicable statutes, regulations, and policies.
- 10. Responsible Conference Executive Appointment Memo. This form is used by Administrations and Staff Offices to appoint their RCE for appropriate covered conferences.
- 11. <u>Guidelines for Responsible Conference Executives</u>. This form is used by the RCE as a nonexclusive list of items to ensure that the approved conference is executed in accordance with all applicable statutes, regulations, and policies.
- 12. <u>Post-Conference Certification Form</u>. This form is used by the RCE to certify that due diligence was exercised during the execution of the conference.
- 13. <u>Conference After Action Review (AAR) Report Template</u>. This form is a suggested template to be used by the appropriate personnel for a formal review of the conference's planning and execution.
- 14. Program Manager Appointment Memo. This form is used by the RCE to appoint a PM.