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United States Department of State  
Washington, D.C. 20520

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July 15, 2015

**ACTION MEMO FOR THE SECRETARY**

FROM: M – Patrick Kennedy

SUBJECT: (SBU) Waiver of OMB-12 12 Policy Prohibiting Expenditures in Excess of \$500,000 on a Single Conference

**Recommendation**

(SBU) That, in accordance with OMB Memorandum 12-12, you waive the prohibition to incur net expenses greater than \$500,000 on a single conference for the 2015 COM Conference, because the conference was the most cost-effective option to achieve a compelling purpose.

Approve                      Disapprove                     

JFK 7/22

JCK  
7/22/15

**Background**

(SBU) On May 11, 2012, OMB issued OMB Memorandum 12-12, which, among other things, set forth a policy prohibiting any executive branch agency from incurring costs in excess of \$500,000 from its own funds on a single conference, including conferences sponsored or hosted by the agency. The policy, however, authorizes the agency head to provide a waiver from this policy “if he or she 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.” This waiver is not required prior to the event but must be signed within the same calendar year, thus we are requesting the wavier for the 2015 COM Conference. The budget for the 2015 COM Conference, which was held March 25-26 in Washington, exceeded \$500,000 and requires a waiver of the OMB policy.

(SBU) In this case it was a justified and responsible use of appropriated funds to incur costs greater than \$500,000 for the conference. As the leader of a globally dispersed foreign policy establishment with almost \$50 billion in appropriated funds, it is the responsibility of the Secretary to ensure leaders of Department components have a consistent and coordinated approach for pursuing

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U.S. foreign policy goals. This conference was an opportunity to assemble the Department's senior leadership from overseas and domestic offices to express your vision and to leverage the knowledge, experience, and wisdom of your team in addressing today's foreign policy challenges. In addition, this in-person conference provided a crucial opportunity to share updates and guidance on our most pressing issues, including our management of risk abroad.

(SBU) During the March 25-26 event each COM attended a one to two-day conference with their specific regional bureau. This allowed the Department to maximize the return on travel costs and provided each COM and the relevant bureau an opportunity to focus on key regional issues in addition to the global agenda. By hosting the conference at Department-owned facilities in Washington, COMs were afforded the opportunity to conduct other consultations, including with Members of Congress and other agencies, avoiding separate travel expenses and minimizing overall Department costs. Based on the historical expenses associated with individual and regional conference and consultation travel, the Department avoided considerable FY 2015 costs through this conference structure.

Attachment:

OMB Memorandum 12-12

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