

January 30, 2012

MEMORANDUM

To: NIH Executive Officers

NIH Acquisition Community

NIH Grants Management Community

NIH Project Officers

Intramural and Extramural Administrative Management Committee Chairs

From: Deputy Director for Management, NIH

Deputy Director for Extramural Research, NIH

Subject: NIH Guidance Related to the HHS Policies on Promoting Efficient Spending: Use of Appropriated Funds for Conferences, Conference Grants and Meetings, Food, Promotional Items, and Printing and Publications

On September 21, 2011, the Office of Management and Budget issued Memorandum M-11-35 emphasizing the President’s priority to ensure that the Government operates with the utmost efficiency and eliminates unnecessary or wasteful spending. This was followed by the Executive Order on Delivering an Efficient, Effective, and Accountable Government ([EO 13576](http://www.whitehouse.gov/the-press-office/2011/06/13/executive-order-delivering-efficient-effective-and-accountable-governmen)), and the Executive Order on Promoting Efficient Spending ([EO 13589](http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending)).

In support of these administrative directives, the Department of Health and Human Services (DHHS) issued on January 3, 2012 a memorandum “HHS Policy on Promoting Efficient Spending: Use of Appropriated Funds for Conferences and Meetings, Food, Promotional Items, and Printing, and Publications” (See <http://www.hhs.gov/asfr/ogapa/acquisition/effspendpol_memo.html>)

These new policies are in effect at the National Institutes of Health (NIH) immediately and specifically prohibit provision of free food or beverages for any NIH sponsored/funded meeting or conference, with a few exceptions such as award ceremonies and non-DHHS training events where food is included in the registration.  The new policies also put limits on the procurement of meeting space, promotional items, printing and publications.

This memorandum transmits NIH’s guidance and procedures regarding implementation of the new policies as it applies to Conferences and Meetings, Food, Promotional Items, and Printing and Publications. The guidance supports the OMB’s and Department’s continued commitment to act in a fiscally responsible manner. Please note that the guidance on Conferences and Meetings addresses both the acquisition and grants management requirements of the new policies.

These policies apply to all new obligations made after issuance of the January 3rd HHS policy.  It applies to *all funds appropriated by Congress* (obligated after January 3, 2012), whether from an annual appropriation, multi-year appropriation, appropriated user fee, mandatory appropriation, gift funds, or reimbursements from such appropriations, etc.

Approximately 20 R13 and U13 conference grants issued after the January 3rd effective date but before NIH was able to apply its policy have been separately identified by OER and will not have their terms and conditions modified. ICs have been notified of these exceptions.

These policies supersede the HHS’ October 27, 2011 memorandum, “Eliminating Excess Conference Spending and Promoting Efficiency in Government.”

The DHHS policy notes that questions regarding these policies can be addressed to contacts in the Office of Grants and Acquisition Policy and Accountability (i.e., Nancy Gunderson and Angela Billups). In an effort to stay coordinated and ensure consistent communications, NIH staff should address any questions regarding the policies and their implementation to the following NIH contacts:

* Questions regarding Conferences and Meeting Space acquisitions, Promotional Items and Printing should be directed to Theresa Garnes at [Theresa.Garnes@nih.gov](mailto:Theresa.Garnes@nih.gov) and Diane Frasier at [Frasierd@mail.nih.gov](mailto:Frasierd@mail.nih.gov) .
* Questions regarding Food and Beverages should be directed to Ken Stith at [Kenneth.Stith@nih.gov](mailto:Kenneth.Stith@nih.gov),
* Questions regarding grants, Joe Ellis at [Joe.Ellis@nih.gov](mailto:Joe.Ellis@nih.gov) and Michelle G. Bulls, [bullsmg@mail.nih.gov](file:///C:\Documents%20and%20Settings\liffersw\Local%20Settings\Temporary%20Internet%20Files\Content.Outlook\KYBFPQZG\bullsmg@mail.nih.gov).

/s/ /s/

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Colleen Barros Sally J. Rockey, Ph.D

**Attachment:** NIH Guidance Related to the HHS Policies on Promoting Efficient Spending

**NIH Implementation Guidance for**

**The Department of Health and Human Services (DHHS)**

**Policies on Promoting Efficient Spending**

# Use of Appropriated Funds for Conferences, Meetings, Meeting Space and Associated Food

**(Reference** [**http://www.hhs.gov/asfr/ogapa/acquisition/appfundspol\_att1.html**](http://www.hhs.gov/asfr/ogapa/acquisition/appfundspol_att1.html)**)**

This section addresses new requirements with respect to conferences and meetings done via grant or acquisition mechanisms.

## Definitions. The following DHHS definitions apply in determining whether an event is a conference or a meeting:

* + 1. A conference is a symposium, seminar, workshop, advisory committee meeting or any other organized and formal meeting, whether conducted face-to-face or via the Internet, where individuals assemble (or meet virtually) to exchange information and views or explore or clarify a defined subject, problem, or area of knowledge, whether or not a published report results from such meeting.
    2. A meeting where a gathering discusses general matters as part of a normal course of doing business is not considered a conference.

DHHS has confirmed that NIH peer review meetings and NIH Advisory Council/Committee meetings are categorized as meetings, not conferences. Steering Committee meetings and DSMB/OSMB meetings are also categorized as meetings.

## Reporting and Approval Requirements: The DHHS Policy on Use of Appropriated Funds for Conferences and Meeting space has different requirements for Reporting and/or Approval of Space depending on whether an event is defined as a meeting or a conference, and whether the event is in federal or non-federal space (i.e., in acquired space). The matrix below summarizes the policy which will be addressed in greater detail below.

|  |  |  |
| --- | --- | --- |
| **Event Description** | **Approval Requirement** | **Reporting Requirement** |
| Meetings in Federal Space  - No HHS Funds Required/Obligated | No | No |
| Meetings in Federal Space  - HHS Funds Required/Obligated | No | No |
| Meetings in Non-Federal Space  - No HHS Funds Required/Obligated | No | No |
| Meetings in Non-Federal Space  - HHS Funds Required/Obligated | Yes | Yes |
| Conferences with no HHS-Funds obligated  (other than Federal staff salaries and travel) | No | No |
| Conferences in Federal Space | Yes | Yes |
| Conferences in Non-Federal Space | Yes | Yes |
| Grants where Conferences are the Primary Purpose | Yes | Yes |
| Grants where Conferences are an Ancillary or Minor Part | No | No |
|  |  |  |

## Conferences/Meetings Conducted via Acquisition Mechanisms

### Space. NIH shall conduct its meetings and hosted or sponsored conferences in space controlled by the Federal Government wherever practicable and cost effective. Where NIH must procure space, the policy applies to all contracts including Indefinite Delivery Indefinite Quantities (IDIQs), Blanket Purchase Agreements (BPAs), purchase cards as well as orders under the NIH Conference, Administrative, and Travel Services (NIHCATS II) contract, other events management and logistics support services contracts, and contracts for conferences and meeting spaces made directly with hotels and conference centers.

# Because of the potential for cost savings, the Department encourages the use of the NIHCATS II contract which is the DHHS strategic source for conference support.

When a contract includes, in addition to other requirements, a requirement to conduct a conference, the approval and reporting requirements as outlined in this policy apply to that part of the contract. Prior to the obligation of appropriated funds, the sponsoring office must obtain the approval of the appropriate NIH official (see section 3 below).

### Food. Appropriated funds shall not be used to purchase meals, light refreshments, or beverages for conferences or meetings conducted under any acquisition vehicle. All active applicable contracts will be modified to reflect the new policy. The Office of Acquisition Management and Policy (OAMP) will draft new language which will be inserted in solicitations and contracts prohibiting the use of NIH appropriated funds to purchase meals, light refreshments, or beverages. This language will be distributed to the acquisition community within 15 days of the issuance of this policy.

Obligations made via acquisition mechanisms prior to January 3, 2012 are not subject to this policy.  Hence these awards would not require modifications to remove the provisioning of meals, light refreshments, and beverages.  Obligations made after January 3, 2012, including the exercise of options, must comply with the policy.

NIH peer review meetings are subject to the new policy regarding no food/meals/beverage. Alternative Solutions/Options for providing sustenance to peer reviewers during lunch/coffee breaks could include: securing hotels that have restaurants nearby; utilize in-house hotel restaurants and food stands.

**Exceptions to Food Policy:** See “Section II. Use of Appropriated Funds for Food” for exceptions related to Gifts Funds and Registration Fees.

### Approval Responsibilities and Procedures: The Conference Approval Request Form (Attachment 1) shall be used to explain the purpose of the conference/meeting, why the conference/meeting is critical to the mission, and why the costs are considered reasonable. (OAMP will release an electronic version of the form expeditiously.) The request must be submitted and approved in advance of issuing any funding opportunity announcement or solicitation. The approved NIH Conference Request Form must be included in the award file.

In order to ensure consistent oversight and management across NIH and to provide accurate reporting to HHS, the following approval thresholds apply. For conferences and meetings:

* Under $100,000 (per event) – IC Directors, delegable to IC Executive Officers (EO) without further redelegation;
* $100,000 or over (per event) – Deputy Director for Management (DDM) without further redelegation. Please route these requests through OAMP at [SimplifiedAcquisitionHelp@od.nih.gov](mailto:SimplifiedAcquisitionHelp@od.nih.gov).

Please Note: NIH peer review meetings and Council meetings held in non-federal space with NIH funds required/obligated are subject to this **approval** process.

***Note to Contracting Officers and Buyers***: The recommended Product Service Code (PSC) for conferences is X1AB – Lease/Rental of Conference Space and Facilities.

### Reporting Responsibilities and Procedures: On or before April 15 and October 15, each year, the NIH is required to submit a consolidated semi-annual report on approved conferences to DHHS. The information for this report will be gathered from approved Conference Approval Request Forms. Upon OAMP’s request, the ICs will send a consolidated listing to the OAMP at [SimplifiedAcquisitionHelp@od.nih.gov](mailto:SimplifiedAcquisitionHelp@od.nih.gov). OAMP will consolidate the listings and obtain clearances prior to submission to DHHS.

**Please Note:** NIH peer review meetings and Council meetings held in non-federal space with NIH funds required/obligated are subject to this **reporting** requirement.

OER staff is working diligently on behalf of the ICs to identify a central way to report the data that ICs and CSR enter into the Meeting Maintenance Module within eRA. Guidance related to reporting is forthcoming. Meanwhile, effective immediately ICs and CSR staff must enter data into eRA at least 10 days prior to the actual meeting date. For instructions on required data elements, see Attachment 2.

Questions regarding this policy should be directed to Ms. Theresa Garnes at [Theresa.Garnes@nih.gov](mailto:Theresa.Garnes@nih.gov) .

## Conference/Meetings conducted via Grant Mechanism

### Conference Grants (R13s/U13s): At this time, the new policy applies to R13s/U13s. Other grant mechanisms that are specifically issued to support conferences will be considered on a case by case basis.

The Office of Extramural Research (OER)/Office of Extramural Programs (OEP) will modify the parent conference grant announcement and all active R13/U13 FOAs to make it clear to all applicants and successful grantees, at the outset, that food, meals/ beverages are unallowable charges to the NIH supported conference grant. OER/OEP will also modify the template used for R13s/U13s to add new required language prohibiting costs for food/meals/beverages.

Additionally, grant management staff are required to add a term and condition to all competing and noncompeting R13 & U13 awards issued on/after 1/23/2012 that prohibits food/meals/beverage costs from being charged to NIH supported conference grants. The Office of Policy for Extramural Research Administration (OPERA) has issued interim guidance to grantees in the NIH Guide for Grants and Contracts that notifies the public of this longstanding policy change related to conference grants (refer to “New NIH Policy on Efficient Spending Related to Grants Supporting Conferences and Meetings” [(NOT-OD-12-041)](http://grants.nih.gov/grants/guide/notice-files/NOT-OD-12-041.html) ).

The language in the NIH Grants Policy (GPS) Statement will be revised during the next annual revision process (FY2013); this interim guidance will serve as standing guidance until the NIH GPS is revised to include the new policies.

For all conference grants that are issued after January 3, 2012, grant officials must include language in the terms and conditions that prohibit grantees from charging food/meal and beverage costs to the grant. The specific language is as follows:

“Direct charges for meals/food and beverages are unallowable charges to this project.”

OER/OPERA/Division of Grants Policy (DGP) will work with eRA to include this term as an automated term on R13 and U13 awards so that the grant officials will not have to manually insert it. This may take some time; OPERA/DGP staff will keep grant officials abreast of the progress.

### Research and Other Mechanisms that are not awarded specifically to support conferences: This policy does not apply as meetings are considered an ancillary effort under the grant and cooperative agreement and is not subject to the approval and reporting requirements of the Department’s policy related to efficient spending.

### Approval Responsibilities and Procedures: IC Directors will be required to sign pay lists for all conference grants approving funds to support NIH conference grants. The signature provides assurance that the funds used to support the conferences are mission critical and costs requested by the applicant(s) appear reasonable. Language will be added to the pay lists and should read as follows:

“This approval confirms that all costs associated with this conference are critical to the mission of [insert IC name] and the costs associated with this conference are reasonable based on the justification that was reviewed and approved under the NIH dual review process. Prior to issuance, costs will be analyzed by the grants official to further analyze whether the costs are allowable, allocable, and reasonable to support the conference.”

Delegations for approval are as follows regardless of the threshold:

* NIH Director, delegable to the IC Directors without further re-delegation.

Grants Management Officials will maintain their level of responsibility by making sure costs associated with the conference grants are in line with the applicable cost principles during their cost analysis. The grants official must also include a term and condition in the conference grant award that makes it clear to the grantee that food/meal and beverage costs are unallowable costs to the grant. Also, grants officials must ensure that the pay list is signed by the IC Director and filed in the appropriate file.

Grants Management Officers must continue to ensure that the costs outlined in the pay plan are consistent with what is obligated unless he/she identifies costs that are not in line with this new policy, applicable Cost Principles, or the programmatic objective as outlined in the Funding Opportunity Announcement. Also, grants officials must ensure that the pay list is signed by the IC Director and filed in the appropriate file.

### Reporting Requirements: OER will coordinate this effort for all NIH ICs. In accordance with Departmental policies, a semi-annual report will be submitted to HHS/OGAPA via an excel spreadsheet by the Conference Grants Coordinator within OER. The Coordinator will pull the required data elements from IMPAC II and as necessary poll the ICs to seek additional information to include in the report.

Questions regarding this policy should be directed to Joe Ellis at [Joe.Ellis@nih.gov](mailto:Joe.Ellis@nih.gov) and Michelle G. Bulls at [bullsmg@mail.nih.gov](file:///C:\Documents%20and%20Settings\kaminsks\Local%20Settings\Temporary%20Internet%20Files\Content.Outlook\F0ENQE2C\bullsmg@mail.nih.gov).

# Use of Appropriated Funds for Food

**(Reference** <http://www.hhs.gov/asfr/ogapa/acquisition/appfundspol_att2.html> )

## General Policy

It is the Department’s policy that OPDIVs and STAFFDIVs, including NIH shall not use appropriated funds (whether from an annual appropriation, multi-year appropriation, appropriated user fee, mandatory appropriation, gift funds, or reimbursements from such appropriations, etc.) to purchase food (whether for conferences or meetings; for meals, light refreshments, or beverages; or for Federal or non-Federal participants) unless we can document (a) that the provision of food is a necessary expense [[1]](#footnote-1) and b) one of the four established exceptions listed below applies.

This new policy **does not apply** to the purchase of food for patients, lab animals, animal and human test subjects, or nutritional/toxicology counseling, studies or samples.

The exceptions have been further clarified in the current policy in that the former waiver process – which previously allowed for the purchase food using appropriated funds if the conditions expressed in the former policy were met and if approved by the OPDIV or STAFFDIV Head – has been rescinded.

## Exceptions

Please note that the list of established exceptions remains unchanged. The four exceptions to the general policy are as follows:

### Training Events:  OPDIVs and STAFFDIVs are authorized to pay for government employees' attendance at a non-HHS government or non-government conference (that constitutes an authorized employee training program) that includes food, if the registration fee includes the cost of food and the cost of food cannot be separated from the registration fee.  However, OPDIVs and STAFFDIVs shall not use appropriated funds for the purchase of food and refreshments for HHS funded training events, such as conferences, workshops, symposia, and meetings, authorized under the Government Employee Training Act.

### Award Ceremonies:  The Government Employees’ Incentive Awards Act authorizes the use of appropriated funds to provide light refreshments, such as snacks and beverages, at federal employees’ awards ceremonies when it has been determined that such food would materially enhance the awards ceremony in furtherance of the objectives of the awards.  However, awards ceremonies must emphasize public recognition of the employees’ performance and allow other employees to honor and congratulate their colleagues.  Therefore, the ceremonies cannot be limited to the employees receiving the awards.

### Representation Fund:  HHS and OPDIV Representation Funds are budget allocations that are specifically authorized by appropriation to facilitate official reception and representation activities that further the interests of the Department.  The funds may be used to purchase food for official reception and representation activities. Note –this is a very narrow exception, and has very limited applicability at NIH.

### Emergencies:  There is a limited exception for extreme emergencies involving imminent danger to human life or the destruction of federal property.  This exception, however, is available only in rare situations and is heavily dependent on the facts presented in a particular situation.

# There is no exception for providing beverages at meetings and conferences.

The food prohibition, absent approval under one of the exceptions, applies regardless of whether the event is a conference or meeting or regardless of whether the event is held in federal or non-federal facilities.

## Gift Funds.

As noted above, NIH has been granted statutory authority to accept, retain, and use gift funds.   NIH may use gift funds to purchase food if the approving official determines that the purchase of food:  (a) carries out the NIH mission (b) satisfies the conditions of the gift; (c) is consistent with NIH’s policy on gifts; and (d) is a necessary expense.  The approving official role/responsibility has been delegated to the IC Executive Officer and cannot be further re-delegated.

When determining whether to use gift funds for food and beverages, sponsoring ICs should carefully consider the donor’s expectation on how the gift funds would be utilized.  Most donors do not expect that their donations are to be used for refreshments for meetings, rather, to benefit research.   Before such funds are used, planners and approving officials need to take into account that sensitivity with full knowledge that use of these funds for food, exception notwithstanding, will likely be the subject of increased external scrutiny. The determination to use gift funds should be done on a case by case basis. Questions regarding the donor’s expectations should be directed to HHS Public Health Division/NIH Office of General Counsel.

## Registration Fees

NIH has been granted statutory authority to charge a fee for certain programs and activities. However, NIH may not operate beyond the level that can be paid for by its appropriations.  Nor can NIH circumvent appropriation limitations by augmenting its appropriations from sources outside the government.  Therefore, any registration fees collected for conferences must be directly related to that conference. Registration fees cannot be used to acquire food, light refreshments or beverages for NIH sponsored conferences/meetings.

## Approvals

# The IC Executive Officer must approve all use of either appropriated or gift funds for the purchase of light refreshments and meals under the exception. If the food is part of a conference or meeting where the total cost of the event is over $100K, then the IC Executive Officer must include the signed Entertainment Form as part of the overall conference package that must be sent to the DDM for approval. At the $100K and over threshold, no obligation for any aspect of the conference, including food, can be incurred without the DDM approval.

Questions regarding this policy should be directed to Mr. Kenneth Stith [Kenneth.stith@nih.gov](mailto:Kenneth.stith@nih.gov)

# Use of Appropriated Funds for Promotional Items

# (Reference <http://www.hhs.gov/asfr/ogapa/acquisition/promoitems_att3.html> )

# NIH considers promotional items to be an extraneous expense. Therefore, ICs shall not use appropriated funds to purchase promotional items. This policy is effective January 3, 2012.

Promotional items include, but are not limited to: clothing and commemorative items such as pens, mugs/cups, folders/folios, lanyards, and conference bags that are sometimes provided to visitors, employees, grantees, or conference attendees. Typically, items or tokens to be given to individuals are considered personal gifts for which appropriated funds may not be expended.

ICs may use those promotional items that have been purchased prior to January 3, 2012, in order to dispose of excess stock. However, when doing so, IC Executive Officers should carefully consider whether using the promotional items will directly further the IC’s mission.

Only in rare cases — that is, when the IC can demonstrate that the promotional items are necessary expenses (see “Necessary Expense Rule,” footnote 1) that directly further its mission — may such items be purchased. Any such necessary expense justification must be in writing, explain why the purchase is a necessary expense that is critical to the mission, and why the costs are considered reasonable. The justification must be approved, in writing, by the Deputy Director for Management (DDM), without further redelegation, and be included in the associated administrative file, such as the purchase card request or contract file.

In the rare instance when an IC wishes to purchase promotional items, the IC’s EO shall submit the justification to the Office of Acquisition Management and Policy (OAMP) at [SimplifiedAcquisitionHelp@od.nih.gov](mailto:SimplifiedAcquisitionHelp@od.nih.gov). No purchases should be made prior to receipt of written approval from the DDM.

Questions regarding this policy should be directed to Ms. Theresa Garnes at [Theresa.Garnes@nih.gov](mailto:Theresa.Garnes@nih.gov).

# Use of Appropriated Funds for Printing and Publications

(Reference <http://www.hhs.gov/asfr/ogapa/acquisition/printpubpol_att4.html>)

Regarding the general printing, copying, and scanning of routine documents, NIH personnel are expected to use sustainable practices to meet their needs, such as:

* double-sided printing;
* black and white printing vs. color;
* use of 'draft' quality rather than 'high' quality printing;
* use of sleep mode when printers and copies are not in use
* use of toner-efficient fonts;
* narrow margins on network printers; and
* limit use of desktop printers and shift to network printers unless an exception is granted.

The acquisition vehicles developed for Print Management under OMB's Federal Strategic Sourcing Initiative (FSSI) (<http://www.gsa.gov/portal/content/111983)> and the NIH Government Wide Acquisition Contract, Electronic Computer Store III (ECS III) should be utilized when acquiring printing and copy devices and services. If acquiring printers, copiers and multi­functional devices without using the FSSI Print Management Blanket Purchase Agreements (BPAs) or the NIH ECS III, the approval document, signed by the IC Executive Officer, must detail why using another acquisition approach represents a lower total cost of ownership over FSSI BPAs or the NIH ECS III.

Questions regarding this policy should be directed to Ms. Theresa Garnes at [Theresa.Garnes@nih.gov](mailto:Theresa.Garnes@nih.gov).

|  |  |
| --- | --- |
| **Conference Title/Topic** |  |
| **Sponsoring Office(s)** |  |
| **Dates Held/To Be Held** |  |
| **Location:** | |
| **City:** |  |
| **State:** |  |
| **Country:** |  |
| **Audience:** | |
| **Profession:** |  |
| **Percentage of Federal vs. Percentage of Non-Federal** |  |
| **Purpose of Conference:** |  |

|  |  |
| --- | --- |
| **Total Obligation[[2]](#footnote-2):** |  |
| **Justification of Costs:** |  |
| Primary Method Used to Support the Conference (check one): | |
| |  |  |  |  | | --- | --- | --- | --- | | **Government Staff** | **Contractor** | **Grantee** | **Cooperative Agreement Awardee** | | **Other (Specify)** | | | | | |
| |  |  | | --- | --- | | **Federal Space** | **Non-Federal Space** | | |
| **If not in Federal Space, an explanation why not:** |  |

|  |  |
| --- | --- |
| IC Executive Officer | Date |
| Head of the Contracting Activity (Required for all meetings/conferences >$100K) | Date |
| Deputy Director of Management (Required for all meetings/conferences >$100K) | Date |

**Detailed Instructions For Entering Meeting Data Into The Era/Meeting Maintenance Module**

Effective immediately, ICs and CSR staff are required to enter detailed information related to meetings that are held in non-Federal facilities into the Meeting Maintenance Module within eRA. ICs and/or CSR staff must enter the following data within 10 days **prior to** the actual meeting date:

* Initial Completion Date
* Acronym
* Start Date
* End Date
* Meeting Explanation
* Meeting Format
* Meeting Type Code (e.g., Justification)
* Agenda Code
* Access Code
* Panel Name
* Selecting Meeting Location (City, State, and Zip)
* Administrative Expenses/Type and Amount (delineate expense information, lumped costs are not acceptable)
* Type and Expense Amount)
* Expense Description and Type Code)

As described in the Efficient Spending Policy issued by Dr. Sally Rockey and Ms. Colleen Barros, OER staff is working diligently on behalf of the ICs to identify a central way to report the data that ICs and CSR enter into the Meeting Maintenance Module within eRA. Meanwhile, it is imperative the ICs/CSR enter the data into the system as described above.

Questions regarding this instruction should be directed to Anna Snouffer within the Office of Federal Advisory Committee Policy, [Anna.Snouffer@nih.gov](mailto:Anna.Snouffer@nih.gov) or Michelle G. Bulls, [michelle.bulls@nih.gov](mailto:michelle.bulls@nih.gov).

1. **Necessary Expense Rule**:  See GAO's [Principles of Federal Appropriations Law, 4-19](http://www.gao.gov/special.pubs/d04261sp.pdf), for additional information.  Additionally, when applying the necessary expense rule, an expenditure may be justified after meeting a three-part test:

   1. The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available.
   2. The expenditure must not be prohibited by law.
   3. The expenditure must not be otherwise provided for, that is, it must not be an item that falls within the scope of some other appropriation or statutory funding scheme.

   [↑](#footnote-ref-1)
2. Excluding the government FTE salary and benefits costs associated with staff planning, supporting, or attending the conference or acquiring the meeting space. [↑](#footnote-ref-2)