Frequently Asked Questions to Assist U.S. Department of Education Grantees To Appropriately Use Federal Funds for Conferences and Meetings

Using Federal Grant (Discretionary and Formula) Funds to Host a Meeting or Conference

1. May a grantee receiving funds from the U.S. Department of Education (Department) use its Federal grant funds to host a meeting or conference?

Yes. Federal grant funds may be used to host a meeting or conference if doing so is:

a. Consistent with its approved application or plan;

b. For purposes that are directly relevant to the program and the operation of the grant, such as for conveying technical information related to the objectives of the grant; and

c. Reasonable and necessary to achieve the goals and objectives of the approved grant.

2. What are examples of "technical information" that may be conveyed at a meeting or conference?

Examples of technical information include, but are not limited to, the following, each of which must be related to implementing the program or project funded by the grant:

- Specific programmatic, administrative, or fiscal accountability requirements;
- Best practices in a particular field;
- Theoretical, empirical, or methodological advances in a particular field;
- Effective methods of training or professional development; and
- Effective grant management and accountability.

3. What factors should a grantee consider when deciding whether to host a meeting or conference?

Grantees should consider whether a face-to-face meeting or conference is the most effective or efficient way to achieve the desired result and whether there are alternatives, such as webinars or video conferences, that would be equally or similarly effective and more efficient in terms of time and costs than a face-to-face meeting. In addition, grantees should consider how the meeting or conference will be perceived by the public; for example, will the meeting or conference be perceived as a good use of taxpayer dollars?

4. Are there conflict-of-interest rules that grantees should follow when selecting vendors, such as logistics contractors, to help with a meeting or conference?

Grantees, other than States, must, as appropriate, comply with the minimum requirements in 34 CFR 74.42 and 80.36(b)(3) and should follow their own policies and procedures (or their local or State policies, as applicable) for ensuring that there are no conflicts of interest in the procurement process.

5. When a meeting or conference is hosted by a grantee and charged to a Federal grant, may the meeting or conference be promoted as a U.S. Department of Education event?

No. Meetings and conferences hosted by grantees are directed by the grantee, not the U.S. Department of Education. Therefore, the meeting or conference may not be promoted as a U.S. Department of Education meeting or conference, and the seal of the U.S. Department of Education

must not be used on conference materials or signage without Department approval. In addition, all meeting or conference materials paid for with Federal grant funds must include appropriate disclaimers, such as the following, which is provided in EDGAR § 75.620 and states:

> The contents of this (insert type of publication; e.g., book, report, film) were developed under a grant from the U.S. Department of Education. However, those contents do not necessarily represent the policy of the U.S. Department of Education, and you should not assume endorsement by the Federal Government.

Using Federal Grant Funds to Pay for Food

6. When a grantee is hosting a meeting, may the grantee use Federal grant funds to pay for food, beverages, or snacks?

Generally, there is a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant. When a grantee is hosting a meeting, the grantee should structure the agenda for the meeting so that there is time for participants to purchase their own food, beverages, and snacks. In addition, when planning a meeting, grantees may want to consider a location in which participants have easy access to food and beverages.

While these determinations will be made on a case-by-case basis, and there may be some circumstances where the cost would be permissible, it is likely that those circumstances will be rare. Grantees, therefore, will have to make a compelling case that the unique circumstances they have identified would justify these costs as reasonable and necessary.

If program offices have questions, they should consult with their program attorney.

7. May Federal grant funds be used to pay for food and beverages during a reception or a "networking" session?

In virtually all cases, using grant funds to pay for food and beverages for receptions and "networking" sessions is not justified because participation in such activities is rarely necessary to achieve the purpose of the meeting or conference.

8. May a grantee enter into a contract with a hotel under which Federal grant funds will be used to provide meals, snacks, and beverages as part of the cost for meeting rooms and other allowable conference-related costs?

Federal grant funds may only be used for expenses that are reasonable and necessary. In planning a conference or meeting and negotiating with vendors for meeting space and other relevant goods and services, grantees may only pay for allowable costs. If a hotel vendor embeds food and beverage costs into a hotel contract for meeting space, the grantee should work with the hotel to have the food and beverage costs identified and "backed out" of the contract, and have the price they are paying for meeting space appropriately adjusted to reflect the fact that food and beverages are not being purchased. The fact that food and beverages are embedded in a contract for meeting space does not mean that the food and beverages are being provided at no cost to the grantee.

9. What if a hotel or other venue provides "complimentary" beverages (e.g., coffee, tea) and there is no charge to the grantee hosting the meeting?

The grantee has an obligation, under these circumstances, to confirm that the beverages are truly complimentary and will not be reflected as a charge to the grant in another area. For example, many hotels provide complimentary beverages to all guests who attend a meeting at their facility without reflecting the costs of those beverages in other items that their guests or, in this case, the grantee purchases. As noted above, it would not be acceptable for a vendor to embed the cost of beverages in other costs, such as meeting space.

10. May indirect cost funds be used to pay for food and beverages?

The cost of food and beverages, because they are easily associated with a specific cost objective, such as a Department grant, are properly treated as direct costs, rather than indirect costs. As noted above, Federal grant funds cannot be used to pay for food and beverages unless doing so is reasonable and necessary.

11. May Federal grant funds be used to pay for alcoholic beverages?

No. Use of Federal grant funds to pay for the cost of alcoholic beverages is strictly prohibited.

12. May a grantee use non-Federal resources (e.g., State or local resources) to pay for food or beverages at a meeting or conference that is being held to meet the goals and objectives of its grant?

Grantees should follow their own policies and procedures and State and local law for using non-Federal resources to pay for food or beverages, including its policies and procedures for accepting gifts or in-kind contributions from third parties. However, if non-Federal funds are used to pay for food at a grantee-sponsored meeting or conference, the grantee should make clear through a written disclaimer or announcement (e.g., a note on the agenda for the meeting) that Federal grant funds were not used to pay for the cost of the food or beverages. Grantees should also be sure that any food and beverages provided with non-Federal funds are appropriate for the grantee event, and do not detract from the event's purpose.

13. May grantees provide meeting participants with the option of paying for food and beverages (e.g., could a grantee have boxed lunches provided at cost for participants)?

Yes. Grantees may offer meeting participants the option of paying for food (such as lunch, breakfast, or snacks) and beverages, and arrange for these items to be available at the meeting.

Using Federal Grant Funds to Pay for Costs of Attending a Meeting or Conference Sponsored by ED or a Third Party

14. May grantees use Federal grant funds to pay for the cost of attending a meeting or conference?

If attending a meeting or conference is necessary to achieve the goals and objectives of the grant, and if the expenses are reasonable (based on the grantee's own policies and procedures, and State and local laws), Federal grant funds may be used to pay for travel expenses of grantee employees, consultants, or experts to attend a meeting or conference. To determine whether a meeting or conference is "necessary," grantees should consider whether the goals and objectives of the grant can be achieved without the meeting or conference and whether there is an equally effective and more efficient way (in terms of time and money) to achieve the goals and objectives of the grant (see

question #3). To determine whether the expenses are "reasonable," grantees should consider how the costs (e.g., lodging, travel, registration fees) compare with other similar events and whether the public would view the expenses as a worthwhile use of Federal funds.

15. What should a grantee consider when planning to use Federal grant funds for attending a meeting or conference?

Among other considerations, grantees should consider how many people should attend a meeting or conference on its behalf. The number of attendees should be reasonable and necessary to accomplish the goals and objectives of the grant. The grantee should also determine whether it is necessary to attend the entire meeting or conference, or whether attending only a portion of the meeting or conference is reasonable and necessary.

16. What travel expenses may be paid for with Federal grant funds?

Grantees may use Federal grant funds for travel expenses only to the extent such costs are reasonable and necessary and do not exceed charges normally allowed by the grantee in its regular operations consistent with its written travel policies. In the absence of an acceptable written policy regarding travel costs, grantees must follow the Federal travel and subsistence rates established by the General Services Administration. 48 CFR 31.205-46(a) (established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances")). Federal grant funds may be used to pay expenses for transportation, per diem, and lodging if the costs are reasonable and necessary. Grantees should follow their own travel and per diem rules and costs when charging travel expenses to their Federal grant. As noted in the cost principles, grantees that do not have travel policies must follow:

> …the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under sponsored agreements (48 CFR 31.205-46(a)).
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> See 2 CFR Parts 220, 225, and 230.

Questions Regarding the Allowable Use of Federal Grant Funds

17. What resources are available to help grantees determine whether costs associated with meetings and conferences are reasonable and necessary?

Grantees must follow all applicable statutory and regulatory requirements in determining whether costs are reasonable and necessary, especially the U.S. Office of Management and Budget's Cost Principles for Federal grants that are set out at:

- 2 CFR Part 225 (OMB Circular A-87; State, Local, and Indian Tribal Governments), (http://www.gpo.gov/fdsys/pkg/CFR-2011-title2-vol1/xml/CFR-2011-title2-vol1-part225.xml);
- 2 CFR Part 220 (OMB Circular A-21; Educational Institutions), (http://www.gpo.gov/fdsys/pkg/CFR-2011-title2-vol1/xml/CFR-2011-title2-vol1-part220.xml); and

- 2 CFR 230 (OMB Circular A-122; Non-Profit Organizations) (http://www.gpo.gov/fdsys/pkg/CFR-2011-title2-vol1/xml/CFR-2011-title2-vol1-part230.xml).

18. May Federal grant funds be used to pay for entertainment?

Federal grant funds may not be used to pay for entertainment, which includes costs for amusement, diversion, and social activities.

19. Is it allowable for a person whose travel costs are being paid with Federal grant funds to attend a conference in Washington, DC, and lobby members of Congress while in town?

Appropriated funds may not, except under very limited circumstances,[1] be used for expenses related to any activity designed to influence the enactment of legislation, appropriations, regulations, administrative actions, or Executive Orders proposed or pending before the Congress or the Administration. To the extent that a portion of time at a conference is spent on lobbying activities, costs associated with the lobbying, including transportation to and from Washington, DC, lodging, and per diem, may not be charged to the Federal grant. For example, if a meeting or conference lasts for two days and a visit to lobby a member of Congress requires an additional day of travel, 1/3 of all costs involved in attending the meeting or conference, including travel to and from Washington, DC, may not be charged to the grant.

20. What are the consequences of using Federal grant funds on unallowable expenses?

The Department may seek to recover any Federal grant funds identified, in an audit or through program monitoring, as having been used for unallowable costs, including unallowable conference expenses.

21. Whom should grantees call if they have specific questions about the allowable use of Federal grant funds?

Grantees are encouraged to contact their U.S. Department of Education program officer to discuss the allowable use of Federal grant funds, including the allowable use of Federal grant funds for meetings and conferences.

[1] 2 CFR Part 230 (Cost Principles for Non-Profit Organizations), Appendix B., 25(b) and 2 CFR Part 220 (Cost Principles for Educational Institutions), 28(b).