United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG 2 4 2012

Department of the Interior Acquisition Policy Release (DIAPR) 2012-10

Subject: **Restriction on the Purchase of Promotional Items**

References: Executive Order 13589, *Promoting Efficient Spending*, dated November 9, 2011; and
Deputy Assistant Secretary – Budget, Finance, Performance and Acquisition Memorandum, *Restriction on the Purchase of Promotional Items,* dated March 29, 2012

1. **Purpose:**

This DIAPR establishes processes, procedures and controls over promotional item spending. This policy does not apply to non-monetary awards.

2. **Effective Date:**

Upon signature.

3. **Expiration Date:**

No expiration unless cancelled or superseded.

4. **Background and Explanation:**

On November 9, 2011, President Obama issued Executive Order (EO) 13589, *Promoting Efficient Spending.* Section 7 of the EO specifies that "Agencies should limit the purchase of promotional items (**e.g., plaques, clothing, and commemorative items**), in particular where they are not cost-effective." On March 29, 2012, the Deputy Assistant Secretary – Budget, Performance and Acquisition issued a memorandum to Heads of Bureaus and Offices, providing guidance on the purchase of promotional items. This guidance required bureaus and offices to establish appropriate processes, procedures and controls over promotional item spending including implementation of new reporting requirements.

5. **Applicability:**

Effective immediately, promotional items must not be purchased with Federal funds unless there is a compelling business and mission-related rationale and it is cost-effective to do so. This includes the purchase of items for distribution at meetings and conferences, items for recruitment activities such as job fairs, and information/educational (I/E) items promoting an initiative or an appropriated program. I/E items also include items purchased for employees and volunteers or items purchased as gifts to foreign officials in the interest of diplomacy and protocol.

Conference materials must be justified as a necessary expense and essential to carrying out the purpose of the conference. Materials purchased or provided for use or handout at conferences will be limited to tent cards, nametags, lapel pins, portfolios, notepads, pens, agendas, fact sheets and similar items. These items may be customized as appropriate to describe the conference event. No other items, including general "awards" or "give-away" items, will be provided to conference attendees.

General authority exists to communicate information reasonably necessary to administer laws and carry out mission. However, each bureau must demonstrate specific authority exists in its appropriation language for acquiring and distributing promotional items. If no specific authority exists, the necessary expense doctrine shall be used to determine if the purchase of a promotional item is proper. If no specific Statute prohibiting an expenditure exists, the following GAO principles will be applied to determine if the use of appropriated funds is proper: (1) Is it specifically provided for in the agency's authorizing legislation? (2) If not, is the purchase a necessary expense to help accomplish the purpose of the appropriation? In other words, is there a direct connection between the expense and the purpose for which the appropriation is made, and is the expense essential to carrying out the purpose?

This procedure is applicable to the purchase of all promotional items whether they are distributed to Federal employees or to others. There is no minimum dollar limit which exempts a purchase for promotional items to this policy. This policy is *not* applicable to non-monetary awards purchased to reward employees for satisfactory performance. However, bureaus are reminded to exercise fiscal prudence to minimize costs incurred for these purposes.

6. **Action Required:**

Effective immediately, all requests for the purchase of promotional items, including the purchase of items with a Government purchase card, must be supported by a written

justification (Attachment 1), and approved at a level no lower than the Bureau Procurement Chief. The justification must explain why the purchase is appropriate, necessary and cost effective; and identify and support a direct connection between the expense and the purpose for which the appropriation is made, and demonstrate the expense is essential to carrying out the purpose.

Bureaus and offices must develop a process for the approval, tracking and reporting of promotional item purchases. Effective September 30, 2012, bureaus and offices must submit a quarterly report of promotional item purchases to the Director, Office of Acquisition and Property Management. Reports must be submitted by the 15th day of the month following the end of the quarter, using the format shown in Attachment 2. The submission must include a copy of all approved justifications. Negative reports are required.

Check your bureau's specific budget authorities to verify if there is an allocable appropriation for a program. Managers must determine on a case-by-case basis whether a specific promotional activity is necessary to the success of an appropriated program. A true test is to ask, "Will this program suffer or fail if these promotional items are not purchased?"

Questions about this policy may be directed to Brigitte Meffert, Office of Acquisition and Property Management, at (202) 254-5514 or by e-mail at Brigitte_Meffert@ios.doi.gov.

Kathern L. Glass for

Debra E. Sonderman, Director
Office of Acquisition and Property Management

Attachments:

1 – Justification for Purchase of Promotional Items

2 – Quarterly Report of Promotional Item Expenditures

Attachment 1

JUSTIFCATION FOR PURCHASE OF PROMOTIONAL ITEMS

1. **Describe the promotional activity that requires items to be purchased.**

2. **Identify the specific authority allowing the purchase of the items. If no specific authority exists, describe how the purchase is a necessary expense to help accomplish the purpose of the appropriation.** *(In other words, is there a direct connection between the expense and the purpose for which the appropriation is made, and is the expense essential to carrying out the purpose?)*

3. **Describe the recipients of the items (federal employees, public, foreign officials, etc.) the type of item, quantity, and cost of the promotional items requesting approval.**

4. **Describe the anticipated procurement strategy/acquisition plan**

_____

Requesting Program/Office

_____

Contracting Officer ***(if over micro-purchase threshold)*** **DATE**

_____

Approval Signature ***(no lower than the Bureau Procurement Chief)*** **DATE**

Attachment 2

QUARTERLY REPORT OF PROMOTIONAL ITEM EXPENDITURES

Bureau:_____ Qtr:_____							
	Description of Item	**Promotional Activity**	**Date of Activity**	**Date of BPC Approval**	**Date items purchased**	**Vendor**	**Total $ Spent**
1.							
2.							
3.							
4.							
5.							