

Participation ADR
Collaboration
Administrative Law Experts
Rulemaking
Access to Law
Open Government
Transparency Federalism
Best Practices
Efficiency
Timeliness Fairness
Cost-Savings
Education
Recommendations
Public-Private Partnership
Innovation



ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
Performance & Accountability Annual Report
2013

Streamlining Processes Regulations

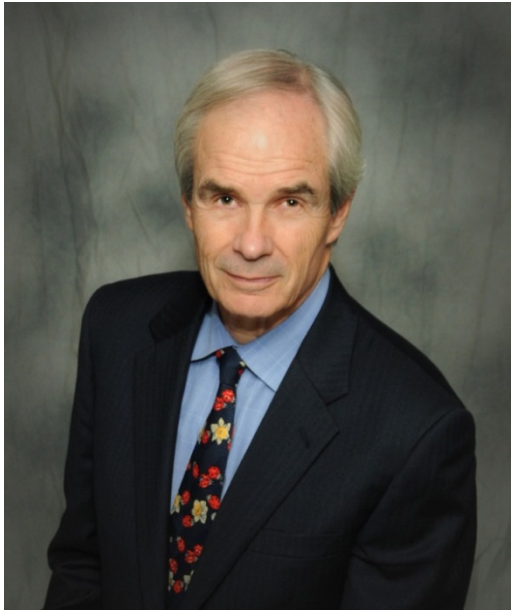
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A Message from the Chairman

I am pleased to present the 2013 Annual Report of the Administrative Conference of the United States.

This report highlights the work of the last calendar year (except in some instances where the fiscal year is specifically stated), and I am deeply grateful to the staff, Conference members, and consultants who have made the work shown on the ensuing pages possible.



Since we began operations in 2010, we have adopted 24 recommendations and one statement. The Conference adopted seven of those recommendations, in addition to one statement, during 2013. Other important accomplishments include two reports for the Social Security Administration (one of which underlies a major SSA regulatory initiative) and several workshops. Congress, agencies, and the federal judiciary continue to rely on the Conference's work. Notable examples include Congress's incorporation of a key provision of Recommendation 2012-3, Immigration Removal Adjudication, into this year's Senate-passed comprehensive immigration bill; the American Bar Association's adoption of a resolution in accord with Recommendation 2012-6, Reform of 28 U.S.C. § 1500; the Office of Federal Register's reliance on Recommendation 2011-5, Incorporation by Reference, in a major proposed rule governing that subject; and the Chief Justice's reliance on the Conference's *Sourcebook of United States Executive Agencies* in an opinion.

Faithfully Yours,

A handwritten signature in cursive script that reads "Paul R. Verkuil".

Paul R. Verkuil
Chairman

Overview

The Administrative Conference of the United States is a unique executive branch agency whose principal mission is to recommend improvements to administrative procedure (and related judicial procedure) to the President, federal agencies, Congress, and the federal judiciary. Numerous Conference recommendations have been adopted by the executive branch or enacted into law. Others have been cited by the federal courts, including more than a dozen times by the Supreme Court. The Conference also assists individual agencies to improve programs, publishes sourcebooks of enormous value to both the government and public, and provides nonpartisan advice to executive branch officials and members of Congress and their staffs. The Conference's work improves the efficiency and fairness of government processes, which frequently saves taxpayer dollars.

Following bipartisan endorsement of the work of two temporary Administrative Conferences during the Eisenhower and Kennedy Administrations, Congress enacted the Administrative Conference Act in 1964, which placed the work of the Conference on a more permanent footing. The Act codified a structure based on that of the prior conferences, which emphasized collaboration among a wide array of federal agencies, as well as experts in administrative law and regulation from the private sector and academia, reflecting a broad diversity of views – all of whom serve the Conference without any compensation. This collaborative effort is designed to produce consensus on nonpartisan recommendations for improvements in federal administrative processes that affect every sector of our national economy and the lives of American citizens.

Judge E. Barrett Prettyman, who had served as chairman of both temporary conferences, explained at the opening plenary session in 1968 that the members of the Conference “have the opportunity to make the administrative part of a democratic system of government work.”

From its beginning in 1968 until its defunding in 1995, the Conference adopted 200-plus recommendations, based on careful study and the

informed deliberations of its members in an open process that encouraged public input. Congress enacted a number of them into law, and agencies and courts have adopted or relied upon many others.

The Conference also played a leading role in developing and securing legislation to promote, and provide training in, alternative dispute resolution techniques for eliminating excessive litigation costs and long delays in federal agency programs, as well as negotiated rulemaking processes for consensual resolution of disputes in rulemaking.

The work of the Conference has received consistent support from a wide range of outside sources. As the Congressional Research Service noted in 2007, the Conference provided “nonpartisan, nonbiased, comprehensive, and practical assessments and guidance with respect to a wide range of agency processes, procedures, and practices,” based on “a meticulous vetting process, which gave its recommendations credence.” Justice Antonin Scalia (a former Chairman and current Senior Fellow) described the agency as “a unique combination of talents from the academic world, from within the executive branch...and...from the private bar, especially lawyers particularly familiar with administrative law,” and has called the Conference one of the federal government’s “best bargains...for the buck.” Similarly, Justice Stephen Breyer (a former liaison representative and current Senior Fellow) described the agency as “a unique organization, carrying out work that is important and beneficial to the average American, at low cost.” In announcing his Council Member appointments, President Obama emphasized the value of the “public-private partnership” reflected in the agency’s enabling statute.

Today the Conference is exploring and promoting the most efficient means of sharing information and responsibility among federal, state and local governments, businesses and citizens through new and established techniques and practices. The agency continues to seek new ideas that advance the core values of fairness, efficiency and citizen satisfaction with government.

2013 Event Highlights

The U.S. Public-Private Standardization System: A Critical Tool for a Strong Economy and Nation June 7, 2013

This event discussed the benefits of the U.S. public-private standardization system and how the consensus process can help in the development of solutions to public policy issues, such as incorporation by reference. This symposium was co-sponsored by the Conference, the American National Standards Institute and the National Institute of Standards and Technology.



Join us for a dialogue on the benefits of the U.S. public-private standardization system and how the consensus process can help in the development of solutions to public policy issues, such as safety, cybersecurity, smart grid, incorporation by reference, and more.

Speaker presentations will be followed by a question-and-answer period. Brown bag lunch will be provided.

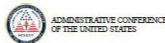
Speakers

- S. Joe Bhatia, President and CEO, American National Standards Institute (ANSI)
- Paul R. Verkuil, Chairman, Administrative Conference of the United States (ACUS)
- George Arnold, Director, Standards Coordination Office, National Institute of Standards and Technology (NIST)

Friday, June 7, 2013 ■ 11:30 a.m. – 1:30 p.m. ■ House Judiciary, Rayburn 2226

This will be a widely attended event. Pre-registration is not required.
Please direct inquiries to Scott Cooper, scooper@ansi.org

Co-hosted by



Social Media Workshop September 17, 2013

Co-sponsored by the Conference and The George Washington University Regulatory Studies Center, the Social Media Workshop brought together experts in rulemaking and experts in social media and facilitated a conversation about how social media could be used to improve the rulemaking process.



The Assembly

Conference membership is composed of innovative senior federal officials and experts with diverse views and backgrounds from the private sector, including academia, the practicing bar, industry and public interest organizations.

The Conference's membership, also known as the Assembly, includes the Chairman, the Council (described below), members from 50 federal executive departments and agencies and independent regulatory boards and commissions (called "government members"), and 40 members of the public (called "public members") representing diverse views and backgrounds.

The Conference's Assembly also includes non-voting members: liaison representatives from the Congress, the federal judiciary, other federal agencies, and professional associations; senior fellows (three of whom are Justices of the Supreme Court); and special counsels. Liaisons, senior fellows, and special counsels have the same privileges as members, except that they may not vote at the Conference's semi-annual plenary sessions. Many of them are assigned to committees, at whose meetings they may vote with the chair's permission.

The Conference is also supported by a small, full-time staff in the Office of the Chairman.



The Chairman



Paul R. Verkuil, the tenth Chairman of the Administrative Conference of the United States, was sworn in by Vice President Biden on April 6, 2010.

Mr. Verkuil is a well-known administrative law teacher and scholar who has coauthored a leading treatise, *Administrative Law and Process*, now in its fifth edition, several other books (most recently, *Outsourcing Sovereignty*, Cambridge Press 2007), and more than 65 articles on public law and regulation. A Festschrift held in his honor in October 2010 was published at 32 *Cardozo Law Review* 2159 (2011). As a consultant to the Conference starting in 1972 when Antonin Scalia served as Chairman, Verkuil published six studies and served as a Senior Fellow of the Conference.

He is President Emeritus of the College of William & Mary, has been Dean of the Tulane and Cardozo Law Schools, and a faculty member at the University of North Carolina Law School. He is a graduate of William & Mary and the University of Virginia Law School and holds a JSD from New York University Law School. Among his career highlights is serving as Special Master in *New Jersey v. New York*, an original jurisdiction case in the Supreme Court, which determined sovereignty to Ellis Island.

The Council

The 10 Council members, in addition to the Chairman, are appointed by the President for three-year terms and include both government officials and private citizens. Among the Council's functions are to call plenary sessions of the Conference, propose bylaws and regulations for adoption by the Assembly, approve budgetary proposals, approve the appointment of public members and approve topics for research studies.

Federal officials named to the Council may constitute no more than one-half of the total Council membership. The following were Council members in 2013:

Name	Organization
<u>Preeta D. Bansal</u>	HSBC
<u>Boris Bershteyn*</u>	Office of Management and Budget
<u>Ronald A. Cass</u>	Cass & Associates PC
<u>Mariano-Florentino Cuéllar</u>	Stanford Law School
<u>Julius Genachowski*</u>	Federal Communications Commission
<u>Theodore B. Olson</u>	Gibson, Dunn & Crutcher
<u>Thomas E. Perez*</u>	Department of Justice
<u>Edith Ramirez</u>	Federal Trade Commission
<u>Thomasina V. Rogers</u>	Occupational Safety and Health Review Commission
<u>Jane C. Sherburne</u>	BNY Mellon
<u>Geovette Washington</u>	Office of Management and Budget

*Left the Council in 2013.



Government Members

Government members are senior officials at other government agencies. The Conference's organic statute designates certain agencies to have government members of the Conference, and it authorizes the President and the Council to designate other such agencies.

The government members are appointed by their agencies and serve no fixed term. They participate in Conference activities in addition to their full-time work at their own agencies.

➤ acus.gov/directory/government-member

Public Members

Public members are typically leading authorities in administrative law, public administration, or other areas of interest to the Conference. Most public members are lawyers, but some are experts in other disciplines. The public members come primarily from academia, law firms, and public interest organizations.

Public members are appointed by the Chairman with the approval of the Council. They serve two-year terms. Public members may be reappointed and may serve a total of three consecutive two-year terms.

➤ acus.gov/directory/public-member

Liaison Representatives

The Chairman, with the approval of the Council, may designate federal agencies or other organizations without voting members of the Conference to have a liaison representative. Agencies or organizations so designated appoint their liaison representative. Liaison representatives serve no fixed term.

➤ acus.gov/directory/liaison-representative

Senior Fellows

Senior fellows have previously served as members or liaison representatives to the Conference for six or more years, are members who have served as federal judges, or are former Chairmen. The senior fellows are appointed by the Chairman with the approval of the Council. Senior fellows serve for two-year terms and may be reappointed.

➤ acus.gov/directory/senior-fellow

Special Counsels

➤ acus.gov/directory/special-counsel

Committees

The Administrative Conference’s bylaws (section 302.3(a)) designate six standing committees of the Conference. The Chairman has the authority to appoint Conference members to the committees. With the approval of the Council, the Chairman may establish additional standing committees or rename, modify or terminate any standing committee.

These six standing committees are the most important component of the process that leads to the adoption of Administrative Conference recommendations, because it is at the committee level that researchers’ reports are carefully analyzed and proposed recommendations are formulated. Although Administrative Conference researchers often provide the initial draft of proposed recommendations, the committees ultimately develop the recommendations that are considered by the Assembly. The committees typically meet several times each year, depending on the stage that their assigned projects have reached.

Each Conference member is asked to participate actively in one of the committees.

Each committee has an area of interest and activity, which generally guides the assignment of particular projects among the committees. These areas are defined with sufficient breadth to allow the Chairman flexibility in assigning projects. The Chairman may also, with Council approval, appoint special committees as needed, and may assign a project to multiple committees.

Committees:
➤ Adjudication
➤ Administration and Management
➤ Collaborative Governance
➤ Judicial Review
➤ Regulation
➤ Rulemaking

Staff



Gretchen Jacobs
Research Director



Charles Kersey
IT Specialist



Megan Kindelan
Communications Director



Emily S. Bremer
Attorney Advisor

Reeve T. Bull
Attorney Advisor

Gabrielle Guy
Paralegal Specialist

Charysse Hairston
Executive Assistant to the
Chairman

Shawne McGibbon
General Counsel



Funmi E. Olorunnipa
Attorney Advisor

David M. Pritzker
Deputy General Counsel

Harry Seidman
Chief Financial and
Operations Officer



Stephanie J. Tatham
Attorney Advisor



Matthew Lee Weiner
Executive Director



Amber G. Williams
Attorney Advisor



Vision & Values

The Administrative Conference is given the power to “study the efficiency, adequacy, and fairness of administrative procedure...” 5 USC § 594.

The work of the Conference is guided by these procedural values, which reflect legal and social science measures of performance.

The fairness value derives from law and employs principles in the Administrative Procedure Act and the Due Process Clause of the Constitution.

The efficiency value derives from economics and looks at how procedures employed by the agency achieve the public purposes the regulations are intended to serve. The question is whether the agency procedures and management techniques reflect optimum resource allocations.

The adequacy value borrows from the disciplines of psychology and political science and looks at the effectiveness of regulatory techniques from the public’s perspective, including such factors as trust, transparency, and participation.

In many situations, these values must be balanced by the Conference in crafting recommendations, but in no case will they be ignored.

Mission Statement

The Administrative Conference of the United States is a public-private partnership whose membership develops formal recommendations and innovative solutions that make our government work better.

Strategic Goals

PARTICIPATION

The Conference will expand citizen participation in the regulatory process through increased use of interactive communications technology and creative means of outreach, in order to provide essential information to government officials and to inform the public.

COLLABORATION

The Conference will study and promote the most responsive and efficient means of sharing authority and responsibility among the federal government, state and local governments, contractors, grantees, and citizens. This will include exploration of new models of collaborative governance as well as a more effective division of responsibility between government and the private sector.

INNOVATION

The Conference will seek new ideas that advance the core values of fairness and efficiency, and will study existing government programs to identify what works, what doesn't, and what's promising. Research will address the use of science, ensuring data quality, and performance evaluation.

EDUCATION

The Conference will bring together senior federal officials and outside experts to identify best practices and will advise agencies on revising their rulemaking and hearing processes, technology and management systems to deliver better results. The Conference will be a central resource for agencies by compiling and publishing guidance on solving mutual problems.



strategic goal: PARTICIPATION

Expand public participation and increase transparency.

The Administrative Conference will expand citizen participation in the regulatory process through increased use of interactive communications technology, as well as by alternative means of outreach, in order to provide essential information to government officials and inform the public. The Administrative Conference will improve openness and transparency in government by promoting common standards and formats for information sharing and proposing updates to laws and rules written before the Internet era.

Performance Goal	Results Measure	FY 2013 Results
<p>1) Fairness ACUS will encourage more widespread participation by stakeholders in its recommendation process to ensure a fair representation of relevant viewpoints.</p>	<p>Outreach to, and inclusion of, various stakeholders during consideration of ACUS recommendations.</p>	<p>Participation by outside groups and individuals surpassed that of the previous year. Numerous jointly sponsored events were held in order to hear and consider the views of persons who might not otherwise participate in committee meetings. They included a symposium with the American National Standards Institute and the National Institute of Standards Technology titled “The U.S. Public-Private Standardization System: A Critical Tool for a Strong Economy and Nation” and a workshop with The George Washington University Regulatory Studies Center on social media in the rulemaking process (both described above).</p>
<p>2) Transparency ACUS will ensure compliance with applicable FACA procedures regarding transparency and will ensure that the process leading to recommendations is transparent to participants and the public.</p>	<p>Publication of required <i>Federal Register</i> notices prior to semi-annual meetings of the full ACUS Assembly; publication of relevant committee documents (agendas, minutes, draft reports and recommendations) in a manner accessible to participants and the public; webcasts of committee and Assembly meetings to enhance access and transparency to all.</p>	<p>All required <i>Federal Register</i> notices were published in a timely fashion. Committee documents were circulated to the public for comment (electronically) within one day of distribution to the relevant committee. A website redesign (the site now contains more historical information than ever before) was completed to create more user-friendly access for government agencies, students, the media, academics, Congress, and public interest advocates. New webcasting capabilities were added to increase participation by members.</p>

<p>3) Access to Information ACUS will make available to all of its stakeholders a searchable library/database of ACUS documents and video recordings—both historical and current—to educate individuals about ACUS activities and information; and will ensure compliance with applicable Open Government and FOIA procedures.</p>	<p>Increased visits to ACUS website by stakeholders and other interested persons/groups; and full, prompt disclosure of information to FOIA requesters (to the extent permitted by law).</p>	<p>ACUS employed new Web analytics tools, which demonstrated that website visits increased in volume and length over the previous year. The agency continued to adhere to a policy of full disclosure with regard to information requested under FOIA, and for CY 2013, received a “green” (top) score in 12 of 13 directly applicable key areas measured by the Office of Information Policy on agency FOIA compliance. The agency scored a 100% release rate for the year. On average, ACUS responded to FOIA requests in two days or less.</p>
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strategic goal: COLLABORATION

Promote collaborative governance.

The Administrative Conference will study and promote the most responsive and efficient means of sharing authority and responsibility among the federal government, state and local governments, contractors, grantees, and citizens. This will include exploration of new models of collaborative governance as well as the most efficient division of responsibility between government and the private sector.

Performance Goal	Results Measure	FY 2013 Results
<p>1) Public-Private Partnerships ACUS will leverage its public-private partnerships to enhance collaboration and cooperation.</p>	<p>Partnerships with organizations/institutions like the American Bar Association (ABA), universities and other federal agencies to aid in the development and implementation of ACUS recommendations and projects.</p>	<p>ACUS adopted several recommendations that were strengthened by input from private-sector experts, among them Recommendation 2012-7, Agency Use of Third-Party Programs to Assess Regulatory Compliance, and Recommendation 2013-3, Science in the Administrative Process.</p>
<p>2) International Cooperation ACUS will engage in activities that promote better collaboration between U.S. and foreign regulatory agencies, and educate foreign counterparts about how to improve their administrative procedures.</p>	<p>Outreach and education to foreign counterparts; recommendations, collaborations and events that establish best practices for enhancing cooperation between the U.S. Government and its foreign counterparts, particularly in the area of regulation.</p>	<p>In 2011, ACUS adopted Recommendation 2011-6, International Regulatory Cooperation, which provides guidance for all U.S. regulatory agencies on working with their international counterparts. Based in part on that recommendation, President Barack Obama signed Executive Order 13609, Promoting International Regulatory Cooperation. During FY 2013, ACUS staff continued to meet with US and foreign officials in furtherance of that recommendation. Among them were meetings with European Union officials on the regulatory aspects of the Transatlantic Trade and Investment Partnership (known as TTIP).</p>
<p>3) Alternative Dispute Resolution (ADR) ACUS will review current ADR programs, identify potential improvements, and educate stakeholders about the benefits of ADR techniques.</p>	<p>Programs and activities that promote the use of ADR in government.</p>	<p>ACUS contributed to a forthcoming report by the Attorney General to the President on ADR initiatives and programs across the federal government, and ACUS began an extensive research project on the use of ADR to resolve disputes arising under the Freedom of Information Act (which</p>

		will result in a recommendation in FY 2014).
<p>4) Best Practices ACUS will identify and/or develop best practices in government and share that information with agencies, or train agencies how to adopt the best practices.</p>	<p>Recommendations and/or reports that promote adoption of best practices that produce cost savings, increased efficiency, or increased fairness; recognition of agencies that develop innovative best practices.</p>	<p>Several ACUS recommendations included best practices for agencies in furtherance of ACUS’s statutory objectives. They include Recommendation 2012-7, Agency Use of Third-Party Compliance Programs to Assess Regulatory Compliance; Recommendation 2013-2, Benefit Cost Analysis at Independent Regulatory Agencies; and Recommendation 2013-4, The Administrative Record in Informal Rulemaking. ACUS also gives the annual Walter Gellhorn Innovation Award to the federal agency with the best model practice that can be adopted government-wide.</p>

strategic goal: INNOVATION

Identify innovations to make government procedures more efficient, fair, timely, and data-driven. The Administrative Conference will seek new ideas that advance the core values of fairness and efficiency, and will study existing government programs to identify what works, what doesn't, and what's promising. Because government action should be based on sound data, the Administrative Conference will improve the use of science, empirical data, and performance evaluation in regulations and administrative law, and the Conference's own activities will be measured to demonstrate the value that they provide.

Performance Goal	Results Measure	FY 2013 Results
<p>1) Efficiency ACUS will work to streamline the administrative process through research and innovations that maximize the government's capacity in a cost-effective manner.</p>	<p>Reports and/or recommendations on innovative administrative procedure reforms that help agencies put their limited resources to the best use. Outcomes measured by agencies adopting these reforms and concomitant increases in efficiency.</p>	<p>ACUS adopted several recommendations in furtherance of this goal, among them Recommendation 2013-1, Improving Consistency in Social Security Disability Adjudications, which suggests ways the SSA's Appeals Council can deploy its limited resources in selecting decisions for review in the federal government's largest agency adjudicatory system.</p>
<p>2) Timeliness ACUS will work across federal agencies to reduce backlogs and unnecessary delays in case and rule processing through better use of innovative technologies and collaborative governance techniques.</p>	<p>Reports and/or recommendations that aim to reduce delays in the administrative process. Outcomes measured by the affected agencies' adoption of the recommended reforms and a reduction in backlogs and delays.</p>	<p>ACUS continued to work in furtherance of Recommendation 2012-3, Immigration Removal Adjudication, by designing a video-hearing pilot program to provide representation to detainees awaiting deportation hearings. ACUS also adopted Recommendation 2012-6, Reform of 28 U.S.C. § 1500, which recommends to Congress the removal of a jurisdictional barrier to claims against the government that results in unnecessary delays for claimants.</p>
<p>3) Technology ACUS will identify and minimize procedural, legal and logistical obstacles that prevent access to the government's regulatory and adjudicatory activities through better use of innovative technologies.</p>	<p>Reports and/or recommendations on best practices to eliminate barriers to access.</p>	<p>ACUS undertook a project (which will result in a recommendation during FY 2014) to facilitate the use of web-based social media in agency rulemakings, and designed a pilot program to test the efficacy of video representation of detainees awaiting immigration-removal hearings.</p>

strategic goal: EDUCATION

Convene leaders to share information, solve common problems, and encourage adoption of promising innovations government-wide.

The Administrative Conference will bring together senior federal officials and outside experts to identify best practices and will advise agencies on revising their rulemaking and hearing processes, technology, and management systems to deliver better results. The Conference will be a central resource for agencies by compiling and publishing data and guidance on solving mutual problems.

Performance Goal	Results Measure	FY 2013 Results
<p>1) Reconvene Regular Meetings of the Council of Independent Regulatory Agencies (CIRA) ACUS will convene CIRA meetings of independent agency heads in order to provide an opportunity for these agencies to share information and solve common administrative problems.</p>	<p>Convene four meetings per year of the Council of Independent Regulatory Agencies.</p>	<p>In FY 2013, the ACUS Chairman convened three CIRA meetings. Topics discussed included the Government in the Sunshine Act and an ACUS program to train new agency officials in matters of administrative procedure.</p>
<p>2) Workshops ACUS will convene a series of workshops, meetings and symposia to share knowledge and best government practices.</p>	<p>Convene two to four workshops per year.</p>	<p>ACUS's activities included two workshops described above—one with the American National Standards Institute and the National Institute of Standards Technology titled "The U.S. Public-Private Standardization System: A Critical Tool for a Strong Economy and Nation" (June 7, 2013), the other with The George Washington University Regulatory Studies Center on social media in the rulemaking process (September 17, 2013).</p>
<p>3) Publications ACUS will publish electronic and print media to educate and engage government and private sector stakeholders about ACUS activities; and ACUS will publish useful documents/guides/reports on government procedure and structure.</p>	<p>A website that is compliant with federal requirements, incorporates innovative tools such as social media, and is useful, as measured by increasing number and duration of Web visits and user surveys. Published documents/guides/reports.</p>	<p>Chief among ACUS's publications was its <i>Sourcebook of United States Executive Agencies</i>—a one-of-a-kind research that maps the entire executive branch. Available in print from the Government Printing Office and on ACUS's website, the Sourcebook has been of tremendous resource to federal officials, judges, congressional staffs, and the public. Chief Justice Roberts cited the Sourcebook in an opinion last year. ACUS also submitted a report to members of Congress on fee</p>

		<p>awards under the Equal Access to Justice Act and two reports to the Social Security Administration on its disability adjudication program. One of the reports became the basis for an SSA regulatory initiative governing the submission of evidence in disability adjudications.</p>
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Recommendation Process

The Administrative Conference’s research and the resulting recommendations are carried out through a multi-step process.

The process begins by selecting a research project, obtaining the Council’s approval to undertake the project, and selecting the researcher. The research prepares an empirically based report that includes recommendations. One of the Conference’s six committees then considers the report. The committee then collaborates on the project with staff, the research consultant, other agencies as appropriate, and other interested persons, in public meetings (which are also broadcast online). Once the committee formulates a recommendation, the Council decides whether to place it on the agenda for the next plenary session. If placed on the agenda, it is debated and voted upon (with or without amendments) by the Assembly. The Office of the Chairman works with Congress, agencies, the courts and others to implement any recommendations adopted by the Assembly.



The graphic shown above represents the steps involved in preparing a recommendation.

What is unique about this process?

...ACUS provides “non-partisan, non-biased, comprehensive, and practical assessments and guidance with respect to a wide range of agency processes, procedures, and practices,...based on a meticulous vetting process, which give its recommendations credence.”

Congressional Research Service, 2007

Plenary Sessions and Adopted Recommendations

During its plenary sessions and committee meetings, members exchange views and work together to reach consensus solutions to complex problems. This process at the committee level, which typically involves at least two to three committee meetings for each project, produces the recommendations the Conference considers at plenary sessions. The following are the recommendations adopted by the voting members of the Conference during the 2013 plenary sessions.

58th Plenary Session: June 13-14, 2013

- ❖ [Recommendation 2013-1 \(Improving Consistency in Social Security Disability Adjudications\)](#)
- ❖ [Recommendation 2013-2 \(Benefit-Cost Analysis\)](#)
- ❖ [Recommendation 2013-3 \(Science in the Administrative Process\)](#)
- ❖ [Recommendation 2013-4 \(Administrative Record in Informal Rulemaking\)](#)

59th Plenary Session: December 5-6, 2013

- ❖ [Recommendation 2013-5 \(Social Media in Rulemaking\)](#)
- ❖ [Recommendation 2013-6 \(Remand Without Vacatur\)](#)
- ❖ [Recommendation 2013-7 \(GPRA Modernization Act of 2010\)](#)
- ❖ [Statement #18: Improving the Timeliness of OIRA Regulatory Review](#)



Current Recommendation Projects

acus.gov/current-projects

- [Ex Parte Communications in Informal Rulemaking](#)
- [Examining the Guidance Function of Agency Preambles, Regulatory Text and Freestanding Documents](#)
- [Government in the Sunshine Act](#)
- [Methods of Collaborative Governance](#)
- [Reducing FOIA Litigation Through Targeted ADR Strategies](#)
- [Retrospective Review of Agency Rules](#)

Current Office of the Chairman Projects

acus.gov/office-chairman-projects

- [Federal Administrative Adjudication](#)
- [SSA Representative Payee Program](#)
- [SSA Symptom Evaluation in Disability Determinations](#)
- [The Status and Placement of Agency Adjudicators](#)

Researchers

The Conference has a history of collaborating with researchers whose work has proven indispensable to the core of our mission.

Hundreds of the nation's leading academic and professional experts in government and administrative law have contributed to fulfilling the Conference's mission of engaging in research that addresses the efficiency, adequacy, and fairness of administrative agency programs. This list includes consultants and researchers, both paid and pro bono, who have produced recommendations and reports over the course of the Conference's existence.

2013 ACUS Research Consultants

Consultant	Project
Leland E. Beck	Administrative Record in Informal Rulemaking
Curtis W. Copeland	Benefit-Cost Analysis at Independent Regulatory Agencies; Improving the Timeliness of OIRA Regulatory Review
Jane Fountain	GPRA Modernization Act of 2010: Examining Constraints To, and Providing Tools For, Cross-Agency Collaboration
Michael E. Herz	Social Media in Rulemaking
Harold J. Krent	Social Security Disability Adjudication
Scott Morris	Social Security Disability Adjudication
Stephanie J. Tatham	Remand Without Vacatur
Wendy E. Wagner	Science in the Administrative Process

Former Researchers

A

Charles D. Ablard
Arvil Adams
Robert S. Adler
Nicholas Allard
David Altschuler
Alfred C. Aman
David R. Anderson
Frederick R. Anderson
Dennis S. Aronowitz
Michael Asimow

B

Steven J. Balla
Michael Baram
Lawrence Baxter
Leland E. Beck
Richard Bednar
Jack M. Beermann
Bernard W. Bell
Michael E. Bell
Robert W. Bennett
Lenni B. Benson
Richard K. Berg
George A. Bermann
Phyllis E. Bernard
Francis X. Beytagh
Frank S. Bloch
Arthur G. Bonfield
John E. Bonine
Michael Botein
Michael W. Bowers
Barry B. Boyer
Marshall Breger
Emily S. Bremer
Albert Broderick
Harold Bruff
Reeve Bull
James E. Byrne

C

Richard B. Cappalli
Michael H. Cardozo

Milton M. Carrow
Ronald A. Cass
Reid P. Chambers
James Ming Chen
Brice McAdoo Clagett
Kathleen Clark
Cary Coglianese
Curtis Copeland
Michael P. Cox
Roger C. Cramton
Steven P. Croley
Eldon H. Crowell
David P. Currie

D

Johnnie Daniel
Charles Davenport
William I. Davey
Frederick Davis
James V. DeLong
Colin S. Diver
Robert G. Dixon
Bridget C.E. Dooling
Elizabeth K. Dorminey

E

George C. Eads
Gary Edles
E. Donald Elliott
Emory Ellis
Samuel Estreicher

F

Richard Fallon
Margaret G. Farrell
Howard Fenton III
Eugene Fidell
Jose R. Figueroa
Mary Candace Fowler
James O. Freedman
Jody Freeman
John H. Frye
William F. Funk

G

Warner W. Gardner
Ernest Gellhorn
Peter M. Gerhart
Donald A. Giannella
Daniel J. Gifford
Margaret Gilhooley
Michelle Gilbert
Clayton P. Gillette
Brian Griffin
Harvey Goldschmidt
Frank Goodman
Frank P. Grad
Heather G. Graham
Charles E. Grassley
Harold P. Green
Dov Grundsclag
Mark H. Grunewald

H

Norbert Halloran
Robert W. Hamilton
Philip J. Harter
Michael P. Healy
Michael E. Herz
Ann C. Hodges
Thomas D. Hopkins
Donald T. Hornstein
Zona Fairbanks Hostetler

I

Carole Iannelli

J

John H. Jackson
George Robert Johnson
Phillip E. Johnson
Charlotte Jones
Ellen R. Jordan
Daniel Joseph
Timothy Stoltzfus Jost

K

David E. Kartalia
Sally Katzen
Cornelius Kerwin
Eleanor Kinney
Stephen H. Klitzman
Charles H. Koch
David Koplow
Lewis A. Kornhauser
William E. Kovacic
William P. Kratzke
Harold J. Krent
Jack Kress
Stephen Kurzman

L

Laura Langbein
Paul Larsen
Arnold H. Leibowitz
Jacqueline C. Leifer
Stephen Legomsky
Lisa G. Lerman
Howard Lesnick
Ronald M. Levin
L. Harold Levinson
David E. Lewis
William J. Lockhart
Andreas F. Lowenfeld
Jeffrey S. Lubbers
William V. Luneburg
William Lyons

M

Jonathan R. Macey
Thomas J. Madden
Michael P. Malloy
Wendy K. Mariner
David A. Martin
David B.H. Martin
Peter W. Martin
Philip Martin
Jerry Mashaw
Malcolm S. Mason
Lesley K. McAllister
Michael McCarthy
Thomas O. McGarity

Carl McGowan
John McGregor
Errol Meidinger
Richard A. Merrill
Douglas Michael
Geoffrey P. Miller
Nancy G. Miller
Thomas D. Morgan
Scott Morris
Morell E. Mullins
Arthur W. Murphy

N

James Nafziger
Nathaniel L. Nathanson
Alfred S. Neely IV
David S. North
J.D. Nyhart

O

Gregory Ogden
Funmi Olorunnipa
James T. O'Reilly

P

Max D. Paglin
Robert E. Park
Henry Perritt, Jr.
Richard J. Pierce
William D. Popkin
Anna Marie Portz
Charles Pou, Jr.
Burnele V. Powell
Monroe E. Price
David M. Pritzker

R

Robert L. Rabin
Richard Revesz
Malcolm C. Rich
Douglas A. Riggs
Leonard L. Riskin
Robert N. Roberts

Reuben B. Robertson
Glen O. Robinson
William F. Robinson, Jr.
Arnold Rochvarg
Jonathan Rose
Morton Rosenberg
Victor Rosenblum
Jim Rossi
Ronald D. Rotunda
George Ruttinger

S

Antonin Scalia
Jennifer L. Selin
Sidney A. Shapiro
Catherine M. Sharkey
Harold Sharlin
William Shaw
Stuart Shapiro
Allen Shoenberger
Jonathan Siegel
Michael J. Singer
Diane M. Stockton
Loren A. Smith
Stuart A. Smith
Marianne K. Smythe
Abraham Sofaer
Ralph S. Spritzer
Thomas H. Stanton
John M. Steadman
Peter L. Strauss
Thomas O. Sargentich
Steven Schlesinger
Roy A. Schotland
Peter H. Schuck
Teresa M. Schwartz
Warren F. Schwartz
Kenneth E. Scott
Peter F. Shane
Brian D. Shannon
Ann Steinberg
Russell B. Stevenson
Charles A. Sullivan
Neil J. Sullivan
Peter Szanton

T

Larry W. Thomas

Norman C. Thomas
Carl W. Tobias
Edward A. Tomlinson

V

Katherine L. Vaughns
Jan Vetter
Paul R. Verkuil
G. Joseph Vining

W

Wendy E. Wagner
William Walsh
Theodore Wang
Leland Ware
Wallace Warfield
Russell L. Weaver
David Welborn
Russell Wheeler
Martin B. White
Jerre S. Williams
Stephen F. Williams
Mason Willrich
Julia Wondolleck

Frank M. Wozencraft
Ronald Wright

Y-Z

Steven L. Yaffee
Lynda Zengerle
Nicholas Zeppos
Michael J. Zimmer



Model Agency Best Practices Initiative

From Need-to-Know to Know-How

The Conference is uniquely situated to help both new and established agencies build better organizations for the new century. To accomplish this, the Conference has a long-term project to identify and share best administrative and operational practices among agencies.

The question this project is designed to answer is: what model practices can be widely adopted to help every federal agency improve its operations and procedures? The hallmark of the entire effort is collaboration with other federal agencies. The primary vehicle to promote, solicit, and share information about best practices is an interactive website, www.acus.gov/best-practices.



The Walter Gellhorn Innovation Award is named after the Conference's longest-serving Council member, who was known by many as the "Father of Administrative Law." Judged by a distinguished panel of experts, the award recognizes the federal agency with the best model practice that can be adopted government-wide.

Council of Independent Regulatory Agencies

MEMBERS

Commodity Futures Trading Commission
Consumer Product Safety Commission
Consumer Financial Protection Bureau
Equal Employment Opportunity Commission
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Election Commission
Federal Energy Regulatory Commission
Federal Housing Finance Agency
Federal Maritime Commission
Federal Mine Safety and Health Review Commission
Federal Reserve Board
Federal Trade Commission
International Trade Commission
Merit Systems Protection Board
National Labor Relations Board
Nuclear Regulatory Commission
Occupational Safety and Health Review Commission
Postal Regulatory Commission
Securities and Exchange Commission
Surface Transportation Board

A council for leaders of independent regulatory agencies, CIRA's goal is to provide a forum for executives to discuss issues common to these agencies.

Because independent regulatory agencies are subject to limited OMB oversight, they have limited mechanisms for sharing information and solving common administrative problems.

Over the last year, the Council of Independent Regulatory Agencies convened three meetings to discuss issues of common interest.

2013 Meeting Dates

- January 22, 2013
- June 4, 2013
- November 20, 2013



*President Ronald Reagan
Addressing Agency Chairmen at the
White House During the Initial
Meeting of the Council of
Independent Regulatory Agencies.*

April 16, 1982

Appendix A

Administrative Conference Act

United States Code

Title 5. Government Organization and Employees

Part I. The Agencies Generally

Chapter 5. Administrative Procedure

Subchapter V. Administrative Conference of the United States

§ 591. Purposes

The purposes of this subchapter are—

- (1) to provide suitable arrangements through which Federal agencies, assisted by outside experts, may cooperatively study mutual problems, exchange information, and develop recommendations for action by proper authorities to the end that private rights may be fully protected and regulatory activities and other Federal responsibilities may be carried out expeditiously in the public interest;
- (2) to promote more effective public participation and efficiency in the rulemaking process;
- (3) to reduce unnecessary litigation in the regulatory process;
- (4) to improve the use of science in the regulatory process; and
- (5) to improve the effectiveness of laws applicable to the regulatory process.

Read the full text of the Act here: <http://www.acus.gov/publication/administrative-conference-act>.

Appendix B

Administrative Conference Bylaws

The current bylaws were approved by the Assembly during the Administrative Conference's 56th Plenary Session in June 2012. Read the bylaws here: <http://www.acus.gov/policy/administrative-conference-bylaws>.

Appendix C

Report on the Financial Statements Audit of the General Fund of the Administrative Conference of the United States for the Years Ended September 30, 2013 and 2012

**ADMINISTRATIVE CONFERENCE OF
THE UNITED STATES**

**BALANCE SHEETS
As of September 30, 2013 and 2012
(in dollars)**

	2013	2012
ASSETS:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	\$ 1,560,746	\$ 1,767,179
Total Intragovernmental	1,560,746	1,767,179
Assets With the Public:		
Accounts Receivable, net (Note 3)	77	1,426
General Property, Plant, and Equipment (Note 4)	127,351	194,472
Total Assets	\$ 1,688,174	\$ 1,963,077
LIABILITIES:		
Intragovernmental:(Note 5)		
Other (Note 6)	\$ 8,753	\$ 81,918
Total Intragovernmental	8,753	81,918
Liabilities With the Public:		
Accounts Payable	4,395	758
Other (Note 6)	178,679	152,683
Total Liabilities With the Public	183,074	153,441
Total Liabilities :(Note 5)	191,827	235,359
Commitments and Contingencies (Note 1)		
NET POSITION:		
Unexpended Appropriations - Other Funds	1,147,393	1,653,557
Cumulative Results of Operations	348,954	74,161
Total Net Position	1,496,347	1,727,718
Total Liabilities and Net Position	\$ 1,688,174	\$ 1,963,077

The accompanying notes are an integral part of these financial statements

**ADMINISTRATIVE CONFERENCE OF
THE UNITED STATES**

**STATEMENTS OF NET COST
For the Years Ended September 30, 2013 and 2012
(in dollars)**

	<u>2013</u>	<u>2012</u>
Gross Program Costs:		
Program A:		
Gross Costs: (Notes 8 & 11)	\$ 3,352,820	\$ 3,169,656
Less: Earned Revenue	<u>(284,000)</u>	<u>(75,000)</u>
Net Program Costs	3,068,820	3,094,656
Net Cost of Operations	<u>\$ 3,068,820</u>	<u>\$ 3,094,656</u>

The accompanying notes are an integral part of these financial statements

**ADMINISTRATIVE CONFERENCE OF
THE UNITED STATES
STATEMENT OF CHANGES IN NET POSITION
For the Years Ended September 30, 2013 and 2012
(in dollars)**

	<u>2013</u>		<u>2012</u>	
	All Other Funds	Consolidated Total	All Other Funds	Consolidated Total
Cumulative Results of Operations:				
Beginning Balances	\$ 74,161	\$ 74,161	\$ 143,606	\$ 143,606
Budgetary Financing Sources:				
Appropriations Used	3,254,477	3,254,477	2,945,685	2,945,685
Other Financing Resources (Non-Exchange):				
Imputed Financing	89,136	89,136	79,526	79,526
Total Financing Sources	3,343,613	3,343,613	3,025,211	3,025,211
Net Cost of Operations (+/-)	3,068,820	3,068,820	3,094,656	3,094,656
Net Change	274,793	274,793	(69,445)	(69,445)
Cumulative Results of Operations				
	\$ 348,954	\$ 348,954	\$ 74,161	\$ 74,161
Unexpended Appropriations:				
Beginning Balances	\$ 1,653,557	\$ 1,653,557	\$ 1,699,242	\$ 1,699,242
Budgetary Financing Sources:				
Appropriations Received	2,900,000	2,900,000	2,900,000	2,900,000
Other Adjustments	(151,687)	(151,687)	-	-
Appropriations Used	(3,254,477)	(3,254,477)	(2,945,685)	(2,945,685)
Total Budgetary Financing Sources	(506,164)	(506,164)	(45,685)	(45,685)
Total Unexpended Appropriations	\$ 1,147,393	\$ 1,147,393	\$ 1,653,557	\$ 1,653,557
Net Position	<u>\$ 1,496,347</u>	<u>\$ 1,496,347</u>	<u>\$ 1,727,718</u>	<u>\$ 1,727,718</u>

The accompanying notes are an integral part of these financial statements

**ADMINISTRATIVE CONFERENCE OF
THE UNITED STATES**

**STATEMENT OF BUDGETARY RESOURCES
For the Years Ended September 30, 2013 and 2012
(in dollars)**

	<u>2013</u> <u>Budgetary</u>	<u>2012</u> <u>Budgetary</u>
Budgetary Resources:		
Unobligated Balance:		
Beginning of Period	\$ 1,535,651	\$ 1,300,777
Recoveries of Prior Year Obligations	31,852	52,535
Unobligated balance from prior year budget authority, net	<u>1,567,503</u>	<u>1,353,312</u>
Budget Authority:		
Appropriations (discretionary and mandatory)	2,748,313	2,900,000
Spending Authority from offsetting collections	<u>284,210</u>	<u>75,000</u>
Total Budgetary Resources	<u>\$ 4,600,026</u>	<u>\$ 4,328,312</u>
 Status of Budgetary Resources:		
Obligations Incurred Direct (Note 9)	<u>\$ 3,233,339</u>	<u>\$ 2,792,661</u>
Apportioned	556,176	662,439
Unapportioned	<u>810,511</u>	<u>873,212</u>
Unobligated Balance brought forward, end of year	<u>1,366,687</u>	<u>1,535,651</u>
Total Budgetary Resources	<u>\$ 4,600,026</u>	<u>\$ 4,328,312</u>
 Change in Obligated Balances:		
Obligated Balance, Net:		
Unpaid Obligations, Brought Forward, October 1 (gross)	\$ 231,528	\$ 470,245
Obligations Incurred (Note 9)	3,233,339	2,792,661
Gross Outlays (-)	(3,238,956)	(2,978,843)
Recoveries of Prior-Year Unpaid Obligations, Actual (-)	<u>(31,852)</u>	<u>(52,535)</u>
Unpaid Obligations, end of year (gross) (+) (Note 10)	<u>194,059</u>	<u>231,528</u>
Total, Unpaid Obligated Balance, Net, End of Period	<u>\$ 194,059</u>	<u>\$ 231,528</u>
 Budget Authority and Outlays, Net:		
Budget authority, gross (discretionary and mandatory)	\$ 3,032,523	\$ 2,975,000
Actual offsetting collections (discretionary and mandatory)(-)	<u>(284,210)</u>	<u>(75,000)</u>
Budget authority, net (discretionary and mandatory)	<u>\$ 2,748,313</u>	<u>\$ 2,900,000</u>
 Gross Outlays (discretionary and mandatory) (+)	 \$ 3,238,956	 \$ 2,978,843
Offsetting Collections (-)	<u>(284,210)</u>	<u>(75,000)</u>
Net Outlays (discretionary and mandatory)	<u>\$ 2,954,746</u>	<u>\$ 2,903,843</u>

The accompanying notes are an integral part of these financial statements

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Administrative Conference of the United States (the Conference) is an independent agency of the Executive Branch of the United States Government. The Conference has been re-established after an absence of over 15 years. The Conference was created in 1968, as an independent agency of the Federal government, for the purpose of developing recommendations to improve the fairness and effectiveness of the rulemaking, adjudication, licensing, and investigative functions of federal agency programs.

The Conference ceased operations on October 31, 1995, due to termination of funding by Congress, but the statutory provisions that established the Conference were not repealed. Subsequently, Congress reauthorized the Conference in 2004 and again in 2008. The 2004 legislation expanded the responsibilities of the Conference to include specific attention to achieving more effective public participation and efficiency, reducing unnecessary litigation, and improving the use of science in the rulemaking process. Funding was approved in 2009, and the Conference was officially re-established in April 2010, when the Senate confirmed President Obama’s nominee, Paul Verkuil, as Chairman. Paul Verkuil is still Chairman as of the date of this report.

(b) Basis of Presentation

These financial statements have been prepared from the accounting records of the Conference, in accordance with Generally Accepted Accounting Principles (GAAP), as promulgated by the Federal Accounting Standards Advisory Board (FASAB); and the form and content for entity financial statements, specified in the Office of Management and Budget’s (OMB) Circular A-136, “*Financial Reporting Requirements.*” GAAP for Federal entities is the hierarchy of accounting principles prescribed in Statement of Federal Financial Accounting Standards (SFFAS) 34, “*The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards issued by the Financial Accounting Standards Board.*”

OMB Circular A-136, requires agencies to prepare principal statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, 2013 and 2012, amounts of future economic benefits owned or managed by the Conference (assets); amounts owed by the Conference (liabilities); and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the Conference’s operations, which includes costs of identifiable supporting services provided by other federal agencies. The Statement of Budgetary Resources reports the Conference’s budgetary activity.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of Accounting

Transactions are recorded on the accrual basis of accounting, in accordance with OMB Circular A-136, revised. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to the receipt or payment of cash.

(d) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

(e) Budgets and Budgetary Accounting

The Conference follows standard federal budgetary accounting policies and practices in accordance with OMB Circular A-11, *“Preparation, Submission, and Execution of the Budget,”* dated July 2010. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. The Conference recognizes budgetary resources, as assets when cash (funds held by Treasury) is made available through warrants, and when spending authority from the offsetting collection is incurred.

(f) Revenues and Other Financing Sources

The Conference received the funding necessary to support its programs, from appropriations in FY2010, FY2011, and FY2012. None of the appropriations are “earmarked” funds.

(g) Imputed Financing Sources

In certain instances, operating costs of the Conference are paid out of funds appropriated to other federal agencies. In accordance with SFFAS 5, *“Accounting for Liabilities of the Federal Government,”* all expenses of a federal entity should be reported by that agency, regardless of whether the agency will ultimately pay those expenses. Amounts for certain expenses of the Conference, which will be paid by other federal agencies, are recorded in the Statement of Net Cost. A related amount is recognized in the Statement of Changes in Net Position as an imputed financing source. The Conference records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Personnel Compensation and Benefits

Salaries and wages of employees are recognized as accrued payroll expenses and related liabilities, as earned. These expenses are recognized as a funded liability when accrued.

Annual leave is accrued as it is earned by employees, and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned, but unused annual leave, since from a budgetary standpoint, this annual leave will be paid from future appropriations when employees use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested, are expensed when used, and no future liability is recognized for these amounts.

The Conference's employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS); or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. The Conference and its employees both contribute to these systems. Although the Conference funds a portion of the benefits under CSRS and FERS, and makes the necessary payroll withholdings, it does not report assets associated with these benefit plans, in accordance with SFFAS 5.

For CSRS employees, the Conference contributes an amount equal to 11.2% of the employees' basic pay, to the plan. For FERS employees, the Conference contributes an amount equal to 7% of the employees' basic pay, to the plan.

Both CSRS employees and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan, intended to supplement the benefits provided under CSRS and FERS. For FERS employees, the Conference contributes an amount equal to 1% of the employee's basic pay to the TSP, and matches employee contributions up to an additional 4%. CSRS employees receive no matching contribution from the Conference.

OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees, government-wide, including the Conference's employees. The Conference has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by the Conference and its covered employees. The estimated cost of pension benefits is based on rates issued by OPM.

Employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost, and the Conference paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement, if certain requirements are met. OPM administers the FEGLI Program, and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of basic life coverage. Because

**ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the Conference's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the Conference has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

(i) Assets and Liabilities

Intra-governmental assets and liabilities arise from transactions between the Conference and other Federal entities.

Funds with the U.S. Treasury comprise the majority of the assets on the Conference's balance sheet. All other assets result from activity with non-federal sources.

Liabilities represent amounts that are likely to be paid by the Conference, as a result of transactions that have already occurred. The accounts payable portion of liabilities consists of amounts owed to federal agencies and commercial vendors, for goods, services, and other expenses received, but not yet paid.

Liabilities covered by budgetary or other resources are those liabilities of the Conference for which Congress has appropriated funds, or where funding is otherwise available to pay amounts due.

(j) Fund Balance with Treasury

The U.S. Department of the Treasury (Treasury) processes the Conference's receipts and disbursements. Fund Balance with Treasury is the aggregate amount of the agency's accounts with Treasury for which the agency is authorized to liquidate obligations, pay funded liabilities, and make expenditures. The fund balance is increased through the receipt of Treasury warrants for appropriations. The Fund Balance with Treasury is reduced through non-expenditure Treasury Warrants for rescissions, disbursements, and other expenditure cash outflows of funds.

The Conference's funds with the U.S. Treasury are cash balances from appropriations as of the fiscal year-end, from which the Conference is authorized to make expenditures and pay liabilities resulting from operational activity.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, Plant, and Equipment (PPE)

PPE consists of capitalized equipment, furniture and fixtures, and software. There are no restrictions on the use or convertibility of property, plant, or equipment.

The Conference capitalizes PPE with a useful life of at least two (2) years, and individually costing more than \$5,000 (\$15,000 for leasehold improvements). Bulk purchases of lesser value items are capitalized when the aggregate cost is \$10,000 or greater.

Assets are depreciated on a straight-line basis over the estimated used life of the property. Information Technology (IT) equipment and software are depreciated over a useful life of five (5) years. All other equipment is depreciated over a five (5) year useful life, and leasehold improvements are depreciated over seven (7) years, or the remaining life of the lease.

(l) Prepaid and Deferred Charges

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment, and recognized as expenses when the related goods and services are received.

(m) Liabilities

Liabilities represent amounts expected to be paid as the result of a transaction or event that has already occurred. Liabilities covered by budgetary resources are liabilities incurred, which are covered by realized budgetary resources as of the balance sheet date. Available budgetary resources include new budget authority, spending authority from offsetting collections, recoveries of unexpired budget authority through downward adjustments of prior year obligations, and unobligated balances of budgetary resources at the beginning of the year. Unfunded liabilities are not considered to be covered by such budgetary resources. Examples of unfunded liabilities are actuarial liabilities for future Federal Employees' Compensation Act payments and annual leave. The Government, acting in its sovereign capacity, can abrogate liabilities arising from other than contracts.

(n) Commitments and Contingencies

The criteria for recognizing contingencies for claims are when: (1) a past event or exchange transaction has occurred as of the date of the financial statements; (2) a future outflow or other sacrifice of resources is probable; or (3) the future outflow or sacrifice of resources is measurable (reasonably estimated). The Conference recognizes material contingent liabilities in the form of claims, legal action, administrative proceedings, and environmental suits that have been brought to the attention of legal counsel, some of which will be paid by the Treasury Judgment Fund. It

**ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

is the opinion of management and legal counsel that the ultimate resolution of these proceedings, actions, and claims, will not materially affect the financial position or results of operations.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Net Position

Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent amounts of budget authority, to include unobligated or obligated balances not rescinded or withdrawn. Cumulative results of operations are comprised of the following: (1) the difference between revenues and expenses; (2) the net amount of transfers of assets in and out, without reimbursement; and (3) donations, all since inception of the fund(s).

(p) Reclassification

Certain fiscal year 2012 balances have been reclassified, re-titled, or combined with other financial statement line items for consistency with current year presentation.

NOTE 2 – FUND BALANCE WITH TREASURY

The Conference’s funds with the U.S. Treasury consist only of appropriated funds. In FY 2013 and FY 2012, the Conference received multi-year appropriations of \$2,900,000. The status of these funds as of September 30, 2013 and 2012 is as follows:

	2013	2012
A. Fund Balance with Treasury		
General Fund	\$ 1,560,746	\$ 1,767,179
Total	\$ 1,560,746	\$ 1,767,179
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 556,176	\$ 662,439
b) Unavailable	810,511	873,212
2) Obligated Balance not yet Disbursed	194,059	231,528
Total	\$ 1,560,746	\$ 1,767,179

NOTE 3 – ACCOUNTS RECEIVABLE

This line item represents the combined balance of Accounts Receivable Claims from Associates and the Accounts Receivable Debt Referred for FY 2013 and FY 2012.

	2013	2012
A. Accounts Receivable	\$ 77	\$ 1,426
Total Accounts Receivable With the Public	\$ 77	\$ 1,426

**ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 4 - GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

The Conference's total cost, accumulated depreciation, and net book value of PPE for the years ended September 30, 2013 and 2012 are as follows:

2013	Equipment	Furniture & Fixtures	Software	Total
Cost	\$175,405	\$ 10,674	\$ 149,503	\$335,582
Accum. Depr.	(\$108,317)	(\$6,371)	(\$ 93,543)	(\$208,231)
Net Book Value	<u>\$ 67,088</u>	<u>\$ 4,303</u>	<u>\$ 55,960</u>	<u>\$127,351</u>
2012	Equipment	Furniture & Fixtures	Software	Total
Cost	\$175,405	\$ 10,674	\$149,503	\$335,582
Accum. Depr.	(\$ 73,235)	(\$4,238)	(\$ 63,637)	(\$141,110)
Net Book Value	<u>\$ 102,170</u>	<u>\$ 6,436</u>	<u>\$ 85,866</u>	<u>\$194,472</u>

NOTE 5 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Conference are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2013, the Conference had liabilities covered by budgetary resources of \$54,352, and liabilities not covered by budgetary resources of \$137,475.

Liabilities covered by budgetary resources consist of Accounts Payable of \$445; Disbursements in Transit of \$3,949; Employer Contributions and Payroll Taxes Payable of \$10,594; and Accrued Funded Payroll and Leave of \$39,364.

	<u>2013</u>	<u>2012</u>
With the Public		
Other	\$137,475	\$121,737
Total liabilities not covered by budgetary resources	137,475	121,737
Total liabilities covered by budgetary resources	<u>54,352</u>	<u>113,622</u>
Total Liabilities	<u>\$191,827</u>	<u>\$235,359</u>

The FY2012 liabilities of the Conference are classified as liabilities, covered or not covered by budgetary resources. As of September 30, 2012, the Conference had liabilities not covered by budgetary resources of \$121,737, and liabilities covered by budgetary resources of \$113,622.

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Liabilities covered by budgetary resources consist of Accounts Payable of \$446; Disbursements in Transit of \$312; Employer Contributions and Payroll Taxes Payable of \$8,209; Accrued Funded Payroll and Leave of \$29,655; and Liability for Advances and Prepayments of \$75,000.

NOTE 6 – OTHER LIABILITIES

Other liabilities with the public for year 2013 consist of Accrued Funded Payroll and Leave of \$39,364, Employer Contributions and Payroll Taxes Payable – TSP of \$1,840; and Unfunded leave of \$137,475. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable of \$8,753.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2013	Other Liabilities	\$137,475	\$41,204	\$178,679
2012	Other Liabilities	121,737	30,946	\$152,683
	<u>Intragovernmental</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2013	Other Liabilities	\$0	\$8,753	\$8,753
2012	Other Liabilities	0	81,918	\$81,918

Other liabilities with the public for year 2012 consist of Accrued Funded Payroll and Leave of \$29,654; Employer Contributions and Payroll Taxes Payable – TSP of \$1,292; and Unfunded leave of \$121,737. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable of \$6,918; and Liability for Advances and Prepayments of \$75,000.

NOTE 7 – LEASES

Entity as Lessee:

The Conference leases office space, located at 1120 20th Street, NW; Suite 706 South, in Washington, DC. The lease was entered into, and became effective, on August 9, 2010. The Conference also leased additional office space for a term of 30 months, which became effective on February 12, 2013. These leases terminate on August 8, 2015.

Rental expenses for operating leases for the years ended September 30, 2013 and 2012 were \$362,149 and \$287,456, respectively, for the agency’s leased space. The following is a schedule of the future minimum lease payments required by the leases:

Year Ending September 30, 2014	\$ 401,998
2015	\$ 331,633
Total Future Minimum Lease Payments	<u>\$ 733,631</u>

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 – INTRAGOVERNMENTAL COSTS

The portion of the Conference’s program costs related to Intragovernmental Costs, and Costs with the Public, are shown as follows. Intragovernmental costs are costs incurred from exchange transactions with other federal entities (e.g., building lease payments to GSA). Costs with the Public are incurred from exchange transactions with non-Federal entities (i.e., all other program costs).

	Total 2013	Total 2012
Program A		
Intragovernmental costs	\$ 885,665	\$ 1,023,615
Less: Earned revenue	(284,000)	(75,000)
Subtotal Intragovernmental costs	601,665	948,615
Public costs	2,467,155	2,146,041
Total Program A	\$ 3,068,820	\$ 3,094,656

**NOTE 9 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED:
DIRECT VS. REIMBURSABLE OBLIGATIONS**

The Conference is subject to apportionment. All obligations are classified as category B, which is the amount of direct obligations incurred against amounts apportioned under category B on the latest SF 132.

	Total 2013	Total 2012
Direct		
Category B	\$ 3,233,339	\$ 2,792,661
Total Obligations	\$ 3,233,339	\$ 2,792,661

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NOTE 10 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of Unpaid Obligated Balance, Net, End of Period, shown on the Statement of Budgetary Resources, includes obligations relating to Undelivered Orders (goods and services contracted for, but not yet received at the end of the year), and Accounts Payable (amounts owed at the end of the year by the Conference for goods and services received). The amount of each is as follows:

	Undelivered Orders	Accounts Payable	Unpaid Obligated Balance Net
2013	\$139,706	\$54,352	\$194,058
2012	192,906	38,622	\$231,528

NOTE 11 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc. made by the Conference in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the Conference in its program (proprietary) operations. For example, spending authority from offsetting collections and recoveries are financial resources from the recoveries of prior year obligations (e.g., the completion of a contract where not all of the funds were used, and refunds or other collections (i.e., funds used to conduct operations that were previously budgeted). An imputed financing source is recognized for future federal employee benefits costs incurred for Conference employees, which will be funded by OPM. Changes in budgetary resources obligated for goods, services, and benefits ordered, but not yet provided, represent the difference between the beginning and ending balances of undelivered orders. (Note that goods and services received during the year, based on obligations incurred in the prior year, represent a cost of operations not funded from budgetary resources). Resources that finance the acquisition of assets, are budgetary resources used to finance assets, and not cost of operations (e.g., increases in accounts receivable or capitalized assets).

Financing sources yet to be provided represents financing that will be provided in future periods for future costs that are recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources, are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

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**NOTE 11 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY)
TO BUDGET (CONTINUED)**

A reconciliation between budgetary resources obligated, and net cost of operations (i.e. providing an explanation between budgetary and financial (proprietary) accounting) is as follows: (Please note that in prior years, this information was presented as a separate financial statement (the Statement of Financing)):

	FY 2013	FY 2012
Budgetary Resources Obligated	\$3,233,339	\$2,792,661
Spending Authority from Recoveries and Offsetting Collections	(391,062)	(127,536)
Imputed Financing from Costs Absorbed by Others	89,136	79,526
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	53,200	280,560
Resources that Finance the Acquisition of Assets	1,348	(1,425)
Financing Sources Yet to be Provided	15,738	3,565
Components Not Requiring or Generating Resources	67,121	67,305
Net Cost of Operations	\$3,068,820	\$3,094,656

Liabilities not covered by budgetary resources total \$137,475, and the change in components requiring or generating resources in future periods is \$15,738. The \$15,738 is the net increase of future funded expenses for leave liability between appropriations of annual fund 2013 and annual fund 2012. Accrued funded payroll liability is covered by budgetary resources, and is included in the net cost of operations; whereas, the unfunded leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

	<u>2013</u>	<u>2012</u>
Liabilities not covered by budgetary resources	\$137,475	\$ 121,737
Change in components requiring/generating resources	\$ 15,738	\$ 3,565

NOTE 12 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 13, 2013, which is the date the financial statements were available to be issued.

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