

DISTRICT EXPORT COUNCIL

POLICIES & PROCEDURES MANUAL



**U.S.
COMMERCIAL
SERVICE**

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Department of Commerce*

INTERNAL USE ONLY

Office of the Deputy Assistant Secretary of U.S. Operations
U.S. and Foreign Commercial Service
International Trade Administration
U.S. DEPARTMENT OF COMMERCE

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1. PURPOSE OF THE MANUAL

The District Export Council (DEC) Policies and Procedures Manual provides policy and operating guidelines for U.S. Foreign and Commercial Service (CS) employees and other employees of the U.S. Department of Commerce (Department), as well as guidelines for activities of DEC Members and DECs across the United States.

2. SCOPE AND MISSION OF DECS

In 1974, the Secretary of Commerce authorized and established the first District Export Councils to support the expansion of export opportunities for U.S. companies and serve as a communication link between the business community and CS. Thus, for more than 40 years, DECs have served the United States by assisting companies in their local communities to export, promoting U.S. economic growth and creating and sustaining new and higher-paying jobs in local communities.

The 60 DECs are made up of approximately 1,500 exporters and export service providers appointed by the Secretary to renewable four-year terms. DEC Members are not considered public officials. DECs are not supported through any government appropriations and do not represent the Department of Commerce, the International Trade Administration, the U.S. and Foreign Commercial Service, or the U.S. Government.

DECs play a major role in the planning and coordination of export activities for their communities. Working together with local CS field offices, the mission of the DECs is to facilitate development of an effective export assistance network, support the expansion of export opportunities for U.S. companies, serve as a communication link between the business community and CS, and assist in coordinating the activities of trade assistance partners to leverage available resources.

3. DEC OPERATIONS

3.1 Membership

3.1.1 General

Individuals appointed to a DEC become part of a select corps of trade experts dedicated to providing international trade leadership and guidance to the local business community and assistance to the Department on export development issues. DEC Members are recognized for their experience in exporting in their respective regions and their commitment to volunteerism on behalf of the local exporting community. As appointees of the Secretary, DEC Members are uniquely positioned to influence the global competitiveness of U.S. businesses through their combined efforts in the national network of DECs.

There are no “associate” DEC Members; all DEC Members are appointed by the Secretary.

3.1.2 DEC Composition

Each DEC has a maximum membership of 35 appointed members. At least 50 percent of the membership must be exporters from a manufacturing or service industry. A fair representation

should be considered from companies and organizations that support exporters, representatives of local and state government, and trade organizations and associations. Membership should reflect the diversity of the local business community, encompass a broad range of businesses and industry sectors, and be distributed geographically across the DEC service area.

The local CS field office director or his or her designee serves as Executive Secretary of a DEC, and is a non-voting ex officio Member of a DEC. The Executive Secretary does not count toward the maximum number of DEC members.

The Executive Secretary, at his or her discretion, may also select **one** local government trade representative position to be a standing ex officio Member of the DEC. This person serves to facilitate coordination between state, local, and federal resources and the DEC and will not be counted as one of the 35 maximum appointees. Like the Executive Secretary, this position will not have voting rights on DEC business. They will be appointed by the Secretary, with reappointment permitted between appointment cycles due to employment changes of the member.

The Executive Secretary and this one state or local government representative (if requested by the Executive Secretary) are the only ex officio members of the DEC.

3.1.3 Basic Qualifications

DEC membership is open to U.S. citizens and permanent residents of the United States. As representatives of the local exporting community, DEC Members must reside in, or conduct the majority of their work, in the territory that the DEC covers.¹ Appointment is based upon an individual's international trade leadership in the local community, ability to influence the local environment for exporting, knowledge of day-to-day international operations, interest in export development, and willingness and ability to devote time to council activities. Members must be employed as exporters or export service providers or in a profession which supports U.S. export promotion efforts.

DEC member appointments are made without regard to political affiliation. While U.S. government officials, particularly those representing Trade Promotion Coordinating Committee agencies, are invited to attend DEC meetings, Federal government employees other than the Executive Secretary of the DEC cannot serve as DEC Members. Individuals representing foreign

¹ In rare circumstances and with the concurrence of each of the relevant DEC Executive Committees and the US&FCS Office of Domestic Operations, a DEC Member may be appointed to be a member of two DEC's. DEC's may only share the Member if: a) the DEC's are not at membership capacity; b) the shared Member will not take a DEC Member position from another qualified candidate; and c) the Member is actively engaged in both of the local exporting communities and can legitimately serve each specific geographic territory, including by working in each territory, without reducing his or her export promotion capabilities for both territories. In such cases the relevant DEC's and US&FCS should regularly monitor the situation to ensure that these requirements are being met. When an individual is nominated to be a Member of two DEC's (see section 3.1.5), the Executive Secretary for each DEC affected must address these requirements in the justification for membership statement for the nominee and continue to ensure that, if all approved, at least 50 percent of the Members will be exporters.

governments are ineligible to serve on DEC. However individuals who work for U.S. subsidiaries of foreign-owned companies are eligible to serve as DEC members.

3.1.4 Terms

DEC Members serve renewable, staggered four-year terms. The Department solicits nominations every two years for half of the DEC membership. DEC Member terms begin January 1 of the first year of the term, and terminate December 31 of the last year of the term.

Experienced, long serving DEC members can be a valuable asset to a DEC. New members can bring new ideas that energize the local exporting community. While there is no limit on the number of terms a DEC member may be appointed to, Executive Secretaries are encouraged to ensure the opportunity exists to welcome new members to established DEC.

3.1.5 Nominations

The Department will accept nominations for DEC Member appointments for an upcoming term from June 1 until July 15 of the year prior to the term. An announcement must be published in the Federal Register informing the public of the open nomination season. Executive Secretaries should advertise the opportunity broadly with CS clients and partners.

All potential nominees will complete an online nomination form and must consent to sharing of their information with the DEC Executive Committee for consideration and if appointed consent to sharing of contact information with other partners. Nominations of individuals who have applied as candidates for DEC membership will be forwarded to the respective DEC's Executive Secretary for consideration. The Executive Secretary, in consultation with the DEC Executive Committee, evaluates all candidates to determine their interest, commitment, and qualifications. The Executive Secretary determines which nominees to forward to the CS Office of U.S. Operations for further consideration.

When submitting a candidate for re-nomination, the DEC Executive Secretary, in consultation with the DEC Executive Committee, should carefully consider the candidate's activity level during the previous term and demonstrated ability to work cooperatively and effectively with other DEC members and CS staff. As appointees of the Secretary of Commerce in high-profile positions, though volunteers, DEC Members are expected to actively participate in the DEC and support the work of local CS offices. Those that do not support the work of the office or do not actively participate in DEC activities will not be considered for re-nomination.

The Executive Secretary will provide a justification for membership statement for each nominee and ensure that, if all approved, at least 50 percent of the members will be exporters. The DEC Executive Secretary must submit all nominee information to the DEC Liaison in the Office of U.S. Operations by August 1.

3.1.6 Suitability and Vetting/Approval Process

Although DEC members are not U.S. Government employees, since they are appointed to high visibility positions, their activities reflect on the Secretary and the Department.

A candidate's background and character are pertinent to determining suitability and eligibility for DEC membership. Since DEC appointments are made by the Secretary, the Department must make a suitability determination for all DEC nominees. In addition to the online nomination form provided by nominees to the Executive Secretary, the Department's suitability determination includes an extensive internal vetting and approval process led by the CS Office of U.S. Operations. The internal vetting and appointment process will be completed by the beginning of the term starting January 1.

Once a nominee is approved and appointed by the Secretary, the CS Office of U.S. Operations works with the Secretary's Office of the Executive Secretariat to have certificates of appointment for each nominee signed. The Executive Secretaries are then notified, and the certificates of appointment are sent to the Executive Secretaries for presentation to the appointed DEC Members.

3.1.7 Transfer, Resignation, and Termination

DEC Members are appointed based on their employment as exporters or providers of services to exporters. A Member who experiences a change in employment and no longer works as an exporter or provider of export services is ineligible to continue as a DEC Member and is required to submit his or her resignation.

Any Member who wishes to resign from the DEC must submit a letter of resignation to the Secretary of Commerce, through the DEC's Executive Secretary, with a copy sent to the DEC Chair.

Any Member who relocates to an area under the jurisdiction of a different DEC must resign from his or her current DEC. If the Member desires to transfer membership to another DEC, he or she must inform the Executive Secretary of the original DEC and request that the DEC membership be transferred. The original DEC's Executive Secretary will contact the new DEC regarding the Member's status. The decision to accept the Member into the new DEC will be made by the Executive Secretary, in consultation with the Chair, of the DEC receiving the new Member. The Executive Secretary must then submit the transfer of the membership to the CS Office of U.S. Operations. A new certificate will be issued for the transferred member but the term of appointment will not change.

The Secretary appoints DEC Members for a specific term; and they serve at the pleasure of the Secretary. The Secretary may terminate membership at any time for any reason, including, but not limited to, DEC member inactivity. The DEC's Executive Secretary must consult with the CS Office of U.S. Operations on the proper procedure for termination of a DEC Member.

Requests for transfer of membership, termination, and retirement letters acknowledging DEC service will be accepted by the DEC Liaison in the Office of U.S. Operations and processed quarterly.

3.1.8 Contact Information and Confirmation of Continued Eligibility

DEC members must provide changes in contact information to the Executive Secretary as they occur. Most contact will be made by email so a valid email address is required for each DEC member. Additionally, DEC members must annually complete an online survey to update contact information and verify their continued eligibility to serve as DEC members.

3.2 ORGANIZATIONAL STRUCTURE OF DECS

3.2.1 General

District Export Councils, though affiliated with the Department, are not U.S. Government entities and DEC Members are not U.S. government officials or employees. The guidance provided below as to DEC organization and governance is advisory, based on best practices. DECs that are considering operating in a manner different from this guidance should consult with their DEC Executive Secretary and the DEC Executive Committee to ensure that the DEC would still be able to effectively accomplish its mission, as laid out in Section 2 above.

Each DEC should establish and maintain its own rules of governance to guide its activities and internal procedures, thereby enhancing its ability to accomplish its mission. Those rules should address, among other issues the DEC may consider appropriate, the activities and procedures described in this Manual.

3.2.2 Executive Committee

A DEC's Executive Committee calls and leads meetings of the DEC, and generally provides leadership toward the DEC's objectives. The Executive Committee provides a lead role in the drafting of an annual strategic plan and recommends new Members to the Executive Secretary.

The Executive Committee should consist of a Chair, Vice Chair(s), Treasurer, and Executive Secretary. The Chair, Vice Chair(s), and Treasurer are nominated every two years at the appointment cycle to serve by a simple majority of each DEC. The Executive Secretary must forward the DEC's recommendations for the Executive Committee to the DEC Liaison. The Deputy Assistant Secretary for U.S. Operations will acknowledge selections of the Chair, Vice Chair, and Treasurer by a congratulatory letter.

Executive Committee members are encouraged to consider ensuring all DEC members with the interest and abilities to serve the DEC in a leadership role have the opportunity to do so. DECs are encouraged to have at least one of the Executive Committee positions held by an exporter and to periodically welcome new leadership.

The local CS Director, or his or her designee, serves in an ex officio non-voting capacity as the Executive Secretary for the DEC and is responsible for coordinating and taking minutes at DEC meetings. The Executive Secretary's role is to provide guidance to the DECs and DEC Members to ensure adherence to their mission and Departmental policies, including this Manual, and to serve as a resource for DEC Members on DEC operations and proposed activities.

3.2.3 Other Committees

Some DEC members have created committees to focus on particular areas, including trade policy, membership, outreach, and trade education. DEC members are encouraged to consider forming such committees to more effectively focus the work of particular members.

3.2.4 Non-Members

DEC members are encouraged to invite guests, including prospective members, to attend meetings after consultation with the DEC Chair and the Executive Secretary. However, members may not designate alternates to represent them at meetings. As stated above, no ex officio or "associate" member status should be conferred on any individuals. If a person is not currently appointed to the DEC by the Secretary of Commerce they should not be referred to as any type of member.

3.2.5 Student Interns

Student interns can serve a vital role in furthering the work of the DEC members and CS. Student interns may perform services for DEC members and the CS in the following manners:

- Interns providing services to DEC members only:
These interns are solely hosted by the DEC members and have no affiliation with and provide no services to CS. DEC members should seek independent guidance regarding sponsoring interns and accepting their services.
- Interns providing services to CS or the exporting community:
Interns sponsored by a DEC member may provide services to CS and the exporting community, including the DEC, in furtherance of a specific project or series of projects only through a formal agreement or memorandum of understanding with a DEC. CS should consult with legal counsel and forward those agreements for review and clearance to ensure their legal sufficiency.

Interns may be sponsored through an established CS or Department of Commerce student intern program. CS should consult its Office of Human Resources Management for guidance on those intern programs and on steps required for proper acceptance of intern services under those programs.

3.3. DEC ACTIVITIES

3.3.1 Meetings

Each DEC will hold a minimum of two meetings of the general membership annually. One meeting may occur via conference call. Meeting dates and locations should be determined in accordance with the rules of governance of each DEC and communicated to the membership at least 15 days in advance of the meeting.

3.3.2 Strategic Plan

Each DEC is to develop its own unique role according to the needs of the local trade community, bearing in mind the vision and mission of the CS. To accomplish this and structure and guide its activities, DEC members should develop a yearly strategic plan (see appendix for a sample template). The strategic plan should provide an outline of the goals and activities to be

accomplished in the coming year. The DEC Executive Secretaries should assist their respective DEC members in formulating their strategic plans to ensure that the goals and activities identified are consistent with the mission and policies of the CS to the greatest extent possible.

The DEC Executive Committee should develop the strategic plan in consultation with Members, and communicate the plan to DEC Members and other members of the community, as appropriate. The DEC Chair should approve the strategic plan; the Executive Secretary must concur on a version of the plan and submit it to the CS Office of U.S. Operations to be included as part of the local CS office annual strategic plan.

DECs are encouraged to identify strategies that contribute to the local export assistance infrastructure. As a strategy statement, the annual plan should focus DEC energies and resources on achieving specific objectives. The plan should:

- begin with a clear, concise mission statement, followed by a list of objectives and activities stated briefly in one or two sentences;
- include committee information (listing committee name, chair(s), duties, responsibilities, and membership);
- include financial information (budget projections and annual accounting statement); and
- outline a strategy for shared responsibilities or a division of labor to avoid unnecessary duplication, where other local trade assistance organizations are already implementing recommended activities.

The DEC annual strategic plan *that is submitted to the Office of U.S. Operations* may not include any reference to lobbying of members of the U.S. Congress. Even though DECs and DEC Members may engage in lobbying activities, CS may not participate in or use appropriated funds for lobbying of the U.S. Congress. Since the Executive Secretary concurs on the DEC annual strategic plan and submits it as part of the annual local CS office strategic plan, the DEC annual strategic plan submitted to the Office of US Operations may not include lobbying activities of members of the U.S. Congress.

3.3.3 Primary Activities Overview

The primary mission of each DEC is to, in conjunction with the local CS office, broaden and deepen the exporter base in the local community. In order to fulfill this mission, DECs engage in a variety of activities designed to educate and assist their local community regarding export opportunities and benefits. Certain activities are integral to a viable DEC export development program, including educational programs and counseling and referral services. The main activities in which most DECs engage fall into these categories: business assistance, community outreach, educational outreach, facilitating the work of the USEAC, and lobbying activities.

3.3.4 Business Assistance

DECs interact directly with their local business community in order to help small- and medium-sized businesses sell their goods and services abroad. They engage in a variety of business assistance activities which may include but aren't limited to:

- Collect testimonials of exporter successes for CS office;

- Mentor companies on joint visits with CS office staff;
- Provide one-on-one counseling of new exporters;
- Speak at, sponsor, or otherwise participate in trade events such as seminars, roundtables, discussion forums, briefings, videoconferences, World Trade Week activities, reverse trade missions, matchmaking or one-on-one appointments;
- Provide hospitality receptions for special events and guests such as visiting dignitaries, foreign buyers and Commercial Officers;
- Sponsor trade-show booths and/or exhibits for local businesses seeking to export;
- Sponsor or support programs for trade shows, trade missions, etc.;
- Promote and recruit for CS programs, services, and events; Suggest companies for recognition, such as the Export Achievement Award, or state or local exporter awards;
- Create and maintain local trade event calendars;
- Create trade organization and export assistance directories;
- Sponsor business surveys and outreach meetings;
- Issue papers and publications on exporting issues; and
- Create and conduct how-to-export presentations.

3.3.5 Community Outreach

DECs perform a vital role by reaching out to the local community on behalf of CS. A list of common community outreach activities follows:

- Meet with local officials to provide information on trade;
- Co-sponsor events and/or awards with elected officials;
- Make presentations to business organizations such as Rotary Clubs, etc.;
- Write articles, op-eds, and letters to the editor;
- Reach out to underserved communities;
- Develop and distribute outreach mailings;
- Host briefings, breakfasts, etc. for or involving elected officials;
- Invite elected officials or their staff to DEC meetings;
- Monitor state and local trade policy/activity;
- Host town hall meetings, open house events, etc.;
- Engage in outreach to reporters, participate in interviews and serve as a contact for export issues; and
- Speak on local radio and television talk shows.

3.3.6 Educational Outreach

DECs can provide an educational role in their local communities on the benefit of international trade and commerce. Through outreach to academic institutions and organizations, DECs can work to ensure that students and educational organizations have an understanding of the nature of exporting and how the global economy works. This can be accomplished by either participating personally in the education process or by contributing resources to further these goals. A list of common educational outreach activities follows:

- Educating students on issues regarding exporting and trade;
- Offering scholarships;
- Offering student internships;

- Including students in local trade events;
- Guest speaking in classes;
- Promoting international trade curriculum development; and
- Creating international trade curriculum or certificate programs.

3.3.7 Facilitating the Work of the CS Office

As part of their local communities, DEC members are aware of the important issues affecting exporters locally; as such, their knowledge and advice is important in facilitating the activities of the local CS Office. A list of common facilitation activities follows:

- Raising awareness of the CS Office in the local community;
- Informing CS Office staff of industry, geographic, or local business developments;
- Providing feedback to the CS Office on CS programs and/or services;
- Providing support to the CS Office for programs and events that further export opportunities and growth; and
- Counseling companies, particularly companies that are new to exporting.

3.3.8 Lobbying Activities

DEC activities are self-supported and do not receive appropriated funds. Therefore, DEC members may engage in lobbying activities, and may encourage others to lobby, at the federal, state or local level. Such activities may include contacting members of Congress or state legislatures to influence their position on legislation. However, DEC members, particularly those established as tax-exempt organizations, are responsible for ensuring that any lobbying activities are consistent with requirements under applicable tax codes and relevant state or other laws governing activities of tax-exempt organizations and lobbying activities.

CS personnel are required to temporarily excuse themselves from any meeting when a discussion of lobbying activities or strategies is taking place. CS personnel who receive messages that could be construed as lobbying should reply all to the message and ask not to be copied on similar messages.

Under the Anti-Lobbying Act, CS personnel may not participate in, or otherwise use appropriated funds for, grassroots lobbying activities. Federal employees may not ask DEC members to contact Congress to support or oppose any legislation, nor may they ask the DEC members to ask their clients to lobby. Neither may DEC members ask CS personnel to contact or lobby Congress on their behalf.

3.3.9 DEC of the Year Award, and DEC Program Recognition

The CS awards one DEC each year with a DEC of the Year Award. The purpose of the Award is to recognize the contributions and accomplishments of an outstanding local DEC that furthers the CS mission in the categories of company outreach, innovation and strategic management. The DEC of the Year Award is a certificate given to a DEC that has demonstrated outstanding contributions and results in all of the categories below:

- **Company Outreach:** Outstanding contributions by a DEC that broaden and deepen U.S. business/stakeholder understanding of CS services and role in the local business community. Contributions include all activities enumerated in the DEC Manual, including

collecting testimonials of exporter successes stories for the local CS Office, mentoring companies on joint visits with CS Office, supporting CS trade events, and generally facilitating the work of the CS Office or CS as a whole. Special emphasis will be put on considering those DEC's that assist the local CS Office with counseling and mentoring of New-to-Export (NTE) companies.

- **Innovation:** Outstanding innovation by a DEC in attracting new clients to CS services. Contributions include the development of new programs and/or initiatives to reach out to the local business community.
- **Strategic Management:** Outstanding performance by a DEC to develop a sound strategic plan as explained in the DEC Manual, that aligns resources to short-term and longer-term goals, and a demonstration of strategic targets met during the course of the year.

Nominations are solicited from each DEC Executive Secretary by the CS Office of U.S. Operations in July of each year. Upon receipt, nominations will be recorded and sent for committee review. The review committee will consist of an elected member of the DEC Steering Committee, an Executive Secretary, the CS DEC liaison, and a Network Director from the Office of U.S. Operations. The committee will review all nominations in accordance with selection criteria and submit recommendations to the Director General. The Director General will make final selections. Only one award will be presented each year.

DECs not awarded for DEC of the Year may be recognized with a Certificate of Exemplary Performance for a single program or activity based on creativity and recorded results.

3.4 FINANCIAL MANAGEMENT

3.4.1 Budgets

Each DEC should prepare an annual budget to reflect the projected costs of planned activities for the year, related sources of income, and other financial needs and opportunities of the organization. Uncommitted reserves should be minimized.

DECs should not focus on accumulation of resources outside of the direct goals of supporting exporting within the community and the associated work of the CS Office.

3.4.2 Financial Records and Collection of Funds

The Treasurer should maintain financial records compiled at regular intervals, along with related documents, including bank statements. DEC's should establish reasonable financial controls, which may include separation of duties, internal and/or external audits, and other procedures, to protect DEC funds.

3.4.3 Revenue Generation

DECs should conduct fundraising activities to raise funds to support their activities; DEC's receive no Federal Government appropriations. DEC revenue-generating activities such as seminars, conferences, and trade missions may be co-sponsored by other community organizations, including the local CS office as appropriate. However, DEC's should not raise funds for profit.

On occasion, a DEC initiates projects that require more funding than can be satisfied by normal collections from DEC-sponsored activities. In these cases, DEC can accept grant funding from public or private sector organizations (except those within the International Trade Administration).

DECs may not assess membership dues as a condition for participation or as a means for raising funds.

When CS is co-sponsoring DEC activities, a memorandum of agreement (MOA) is required to address revenue-sharing expectations. Any fees collected to cover event costs should be collected and distributed by the DEC.

3.4.4 Use of Funds

DEC funds are for use to further DEC goals, and expenses should be consistent with the DEC mission. Uncommitted reserves should be minimized. DEC should evaluate expenses before they are incurred to assure that they are necessary and reasonable within the operations of the DEC and that there are no deviations from the established practice of the DEC. Executive Secretaries may contribute to discussions of proposed expenditures, and may request support for activities or purchases to further the work of the CS office or staff, but may not be directly involved in DEC financial operations and may not vote on DEC expenditures.

In general, DEC does not provide grants or funds to unrelated organizations. There are instances, however, where a DEC will present a gift to support the common goals shared by local export assistance partners. Such gifts should be appropriate in the context of developing or strengthening the local infrastructure. Organizations receiving such funds may include both public and private sector partners (e.g., chambers of commerce, Small Business Development Centers, world trade clubs, universities).

To safeguard against the misuse of funds, or prevent the appearance of misuse, DEC is strongly urged not to fund activities that directly benefit one or more DEC Members. Any gifts to unrelated organizations made by a DEC should in all cases be approved according to the DEC's rules of governance. It is strongly recommended that the rules of governance require that such gifts first be approved by the DEC's Chair, Vice Chair(s), and Treasurer, and then by a simple majority of the DEC's Members. In instances where proposals for funding may directly benefit, or appear to be a conflict of interest to, any Member, including those on the Executive Committee, that Member should abstain from voting.

In addition to spending funds on appropriate DEC activities, DEC may make gifts or donations, including gifts of travel or training, to the CS office upon approval by the Department of Commerce. DEC wishing to make such gifts or donations should consult with the Executive Secretary to identify and fill out the required forms and ensure compliance with applicable gift or donation acceptance procedures.

3.4.5 Disbursement of Funds

The Treasurer should pay expenses incurred in accordance with the accepted payment policy of the DEC, as directed under the rules of governance adopted by the DEC. DEC members are urged to consider adopting a policy requiring the signature of the Chair or Vice Chair on checks that exceed a specified dollar amount.

3.4.6 Tax Compliance Liability for Personal Services Contracts

DEC members are responsible for complying with reporting requirements to the IRS for payments made to personal services contractors, including interns or other part-time employees.

DEC members should consult with a qualified tax or legal advisor to determine what action may be required and the dates for filing. In order to ensure that adequate documentation will be available to meet reporting requirements, DEC members should obtain professional advice prior to entering into a personal services contract.

3.4.7 Audits

An audit of a DEC's financial activities and records should be made once every year. The audit may be an internal audit, performed by members of the DEC not otherwise directly involved in maintaining the funds and financial records of the organization, or an external audit, performed by an outside entity. A formal audit performed by an accountant need not be required unless deemed necessary by the members of the DEC.

A special audit review should be performed when there is a change in the Treasurer or other key officers of the DEC who have had oversight of the financial operations of the DEC, or if unusual circumstances, such as the sponsorship of a major project, have occurred.

Federal employees may not participate in any part of a DEC audit in any way.

3.4.8 CS Involvement in Financial Management

CS staff or other federal government personnel are not permitted to be involved in the DEC's financial activities.

CS offices may be used as the DEC's mailing address. Bills, bank statements, and other records addressed to the DEC are to be forwarded by the Executive Secretary to the DEC Treasurer or another authorized DEC member within three working days.

Executive Secretaries may receive non-cash payments to the DEC as long as they are passed along to another Executive Committee member for deposit.

Executive Secretaries may not:

- Be signatories on any DEC accounts
- Have passwords or access in any way to DEC accounts at banks or through e-payment services
- Have direct contact with DEC funds.
- Collect cash payments for the DEC
- Deposit DEC funds

CS personnel are permitted to manage registration for DEC and joint DEC/CS activities as long as the payment mechanism is set up by the DEC and the payment account is not accessible for withdrawals by CS personnel.

4. LEGAL ISSUES

4.1 LEGAL STATUS

CS does not require or encourage DEC's to take on a specific legal form. Any DEC that decides to establish itself as a legal entity should comply with applicable legal requirements in the relevant jurisdiction. In addition, any DEC articles of organization and bylaws must ensure that:

- No government official is an incorporator or board member;
- The Secretary of Commerce is not a member of the association or corporation; and
- Executive Secretaries are only designated as advisory, non-voting, ex officio members of the association or corporation.
- All relevant documentation, including articles of organization and bylaws, must contain a provision stating explicitly that Federal Government employees serve as representatives of, and have a paramount responsibility to, the Federal Government, and that Executive Secretaries are not voting DEC board members.

CS and CS counsel will not review any documentation, including articles and bylaws, which a DEC develops in establishing itself as a legal entity.

4.2 TAX-EXEMPT STATUS

Each DEC should determine whether and how to obtain and maintain tax-exempt status from the Internal Revenue Service (IRS). Consultation with a tax advisor is suggested.

4.3 DEC MEMBER PERSONAL LIABILITY

The extent to which DEC members and/or the organization itself may face liability for torts, and the forum in which such claims may be adjudicated, will be determined under applicable state law. (The Federal Tort Claims Act is unlikely to be applicable.) DEC's may wish to address these issues in the context of the DEC's activities and applicable law. DEC's are urged to pursue an appropriate course of action to limit such liability where prudent.

The Department advises that DEC's work with local counsel to draft a waiver of liability form that can be used to limit personal liability in their jurisdiction. However, the Department cannot require creation and use of such a form. To the extent that DEC's or DEC Members have liability exposure concerns, they should consult competent local counsel. DEC Members may also want to check their personal umbrella policies or employers' insurance policies for liability protection provided to cover volunteer activities, including the defense of discrimination allegations.

4.4 COOPERATIVE AGREEMENTS

4.4.1 Agreements with Entities Outside US&FCS

DEC's should seek guidance from the Executive Secretary when considering any agreements, memoranda of understanding, or other formal relationships with individuals or organizations

outside CS or the Department to ensure consistency with the DEC and CS missions and goals. In proposing and entering into such relationships, DECs and DEC Members may not create any binding legal obligations on the part of CS and should avoid relationships with the potential to result in embarrassment to the DEC or the CS. CS will not review such relationships for legal sufficiency; DECs are responsible for seeking independent legal guidance as appropriate. Each DEC should have clear policies regarding which officers or Members may enter into relationships on behalf of the DEC.

4.4.2 Agreements with CS

Agreements, memoranda of understanding, or other formal relationships between DECs and CS differ from the relationships with outside parties mentioned above. DECs and CS may partner in several ways to effectively engage in many DEC activities, including through conferences, educational endeavors, and other trade-related events. Some of these partnerships will require entry by the parties into memoranda of agreement. Formal relationships between DECs and CS are subject to legal review by, and approval from, CS counsel, which shall review the relationships for legal sufficiency. CS counsel will only provide guidance to CS in these instances; DECs remain responsible for seeking independent legal guidance as appropriate.

For more information about legal agreements with CS, CS personnel are invited to contact the Office of General Counsel.

5. NATIONAL DEC ACTIVITIES

5.1 DEC NATIONAL STEERING COMMITTEE & NATIONAL DEC

The National Steering Committee is made up of 16 DEC Members from around the country, with two Members coming from their corresponding CS Network region. Regions are encouraged to balance their representation on the National Steering Committee between exporters and service providers and to ensure that multiple industry sectors are represented. Ideally, the National Steering Committee should well reflect the DEC members it serves. CS may facilitate, but not direct, elections of DEC Members to the National Steering Committee at its discretion.

The National District Export Council, Inc., (NDEC) is a private, non-profit corporation that was independently established by the members of the DEC National Steering Committee. It has its own guidelines and bylaws and is not overseen by any U.S. government employees.

The NDEC works with the DECs on major DEC initiatives, including policy positions, trade education, and outreach. While the NDEC can facilitate communication between the DECs, between the DECs and the U.S. Department of Commerce, and between the DECs and the international business community and policymakers, it is an organization that operates independently of, and is not affiliated with, the Department of Commerce, the International Trade Administration, and the U.S. and Foreign Commercial Service.

5.2 NATIONAL DEC EVENTS

National DEC events are designed to bring together DEC members from across the country, U.S. Government officials, and other appropriate entities in order to share information and reinforce the collaborative mission of the DEC organization and CS in promoting international trade.

These events are frequently organized by the NDEC and may include sessions on DEC management, best practices, and updates from Commerce leadership. CS personnel, including the DEC Liaison, may provide logistical and administrative support for NDEC events.

6. U.S. AND FOREIGN COMMERCIAL SERVICE ROLE AND ORGANIZATION

6.1 U.S. DEPARTMENT OF COMMERCE ORGANIZATION

The organizational structure of the U.S. Department of Commerce consists of 10 units directly reporting to the Office of the Secretary of Commerce. Each of the 10 agencies is headed by an Undersecretary or Director, and is further divided into organizations headed by Directors (such as the Bureau of Census) or Assistant Secretaries (such as the U.S. and Foreign Commercial Service). A list of the 10 units may be found on the Department of Commerce website at <http://www.commerce.gov>.

6.2 INTERNATIONAL TRADE ADMINISTRATION

The International Trade Administration (ITA) is the lead operating unit for trade in the Department of Commerce. ITA strengthens the competitiveness of U.S. industry, promotes trade and investment, and ensures fair trade through the rigorous enforcement of our trade laws and agreements. ITA works to improve the global business environment and helps U.S. organizations compete at home and abroad. ITA is organized into three distinct but complementary business units:

- The Global Markets unit combines ITA's country and regional experts, overseas and domestic field staff, and specific trade promotion programs to provide U.S. firms with the full suite of country-specific export promotion services and market access advocacy, while promoting the United States as an investment destination.
 - The U.S. and Foreign Commercial Service is part of Global Markets. The U.S. and Foreign Commercial Service (CS) helps U.S. companies, particularly small- and medium-sized companies, promote their goods and services in the international market. The CS worldwide network includes over 100 CS Offices throughout the United States and staff at U.S. embassies and consulates in more than 80 countries, offering a variety of counseling and advocacy services, market research, and one-on-one matchmaking services.
- The Industry and Analysis (I&A) unit brings together ITA's industry, trade, and economic experts to advance the competitiveness of U.S. industries through the development and execution of international trade and investment policies and promotion strategies. I&A will leverage ITA's relationships with manufacturing and services industries to increase U.S. exports.

- The Enforcement and Compliance unit enhances ITA's responsibilities to enforce U.S. trade laws and ensure compliance with trade agreements negotiated on behalf of U.S. industry.

A Senate-confirmed Presidential Appointee heads each of the three offices within ITA.

6.3 CS COORDINATION WITH DECS

CS serves as the primary point of contact for DECs within the U.S. Department of Commerce. DECs fulfill their mission of supporting CS through a close working relationship with CS's local offices.

A DEC Liaison in CS's Office of U.S. Operations facilitates communication and activities between the CS and the DECs. The DEC Liaison:

- is a resource to DECs and the Executive Secretary with operational and programmatic guidelines, ideas, and best practices;
- aids in developing the DEC program through national initiatives and programs as appropriate;
- manages the infrastructure of the DEC program, such as developing the membership, managing the appointment process, and establishing operational standards; and
- responds to external requests or inquiries regarding DECs.

The DEC Liaison's address is:

*Office of the Deputy Assistant Secretary of U.S. Operations
U.S. Department of Commerce
Ronald Reagan Building
14th St. and Constitution Ave., N.W.
Washington, D.C. 20230*

APPENDIX A –DEC MOU- DRAFT-REQUIRES FINAL APPROVAL BY OGC

**MEMORANDUM OF AGREEMENT BETWEEN THE
U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
GLOBAL MARKETS
UNITED STATES & FOREIGN COMMERCIAL SERVICE
&
[insert name of DEC] (DEC)
REGARDING
[insert name of event]**

I. PARTIES

This Memorandum of Agreement (MOA) constitutes an agreement between U.S. & Foreign Commercial Service (US&FCS), Global Markets, of the International Trade Administration (ITA), U.S. Department of Commerce (Department) and the [insert name of DEC] (DEC), a not-for-profit organization established under the laws of [insert state] (the Parties), hereinafter jointly referred to as “the Parties.”

II. AUTHORITIES

US&FCS has authority to participate in a joint export promotion project with the DEC under:

1. The Mutual Educational and Cultural Exchange Act (MECEA) of 1961 (22 U.S.C. Sections 2455(f) and 2458(c)), as incorporated into ITA’s most recent appropriation in Pub. L. No. 114-254 [update cite as appropriate, generally as of October 1 each year];
2. 15 U.S.C. Section 4721, which authorizes US&FCS to promote U.S. exports and protect U.S. business interests abroad.

III. PURPOSE

US&FCS is responsible for the promotion of U.S. exports worldwide and seeks to inform the U.S. business community about its services and export opportunities. The DEC is a leading organization in the international business community that works closely with US&FCS to facilitate development of an effective export assistance network and to support the expansion of export opportunities for U.S. companies. The DEC is interested in collaborating with US&FCS to organize and convene an event, leveraging important contacts and resources to best promote international trade. The purpose of this MOA is to establish the terms and conditions under which US&FCS and the DEC will cooperate in organizing and promoting an event [supply name, location, approximate date] and by which the responsibilities and costs associated with the event will be shared.

US&FCS has decided to work with the DEC because: (1) the DEC has extensive contacts within the business community; (2) the DEC has substantial expertise and experience regarding the specific exporting needs of businesses; and (3) the DEC has extensive experience in organizing and providing content for successful events of this nature.

IV. VENUE AND EVENT DATE

The Parties will designate an appropriate venue for the event. The DEC agrees to negotiate the terms of the venue rental with the understanding that attendees will be charged a reasonable participation fee to recover the direct costs associated with hosting the event.

Dates for the event: [to be supplied]

Location: [to be supplied]

V. JOINT ACTIVITIES

US&FCS and the DEC have a shared interest in organizing, promoting, and executing the event. Both Parties have an interest in attracting a large audience to the event and in informing current and potential U.S. exporters of assistance available to them through the Parties. Both Parties have a sizeable client base on which they can call upon in promoting the event. The event provides a forum to broaden this base by offering the opportunity to highlight US&FCS assistance in [insert appropriate goal]. US&FCS and the DEC are seeking to achieve broadened support and economies of scale in leveraging their respective capacities to reach out to the U.S. business community.

The Parties are increasing their cooperation by utilizing each other's resources, as appropriate, to promote the event and deliver advice on [insert appropriate goal] to the benefit of a business audience interested in exporting.

US&FCS and the DEC will share non-confidential client contact information to recruit participants and sponsors by using relevant mailing lists, as well as distributing information regarding the event through multipliers, press releases, newsletters and other media as appropriate. [Insert appropriate Party or Parties] will recruit sponsors. The Parties will work together to develop, manage, market and implement promotional activities aimed at ensuring the success of the event.

[Include if applicable] Sponsorship opportunities will be available. In recruiting event sponsors, the Parties will follow the following agreed-upon guidelines: [include levels and dollar amounts of sponsorships]. Sponsors receive [insert benefits to sponsors, e.g., recognition in event promotional materials, tickets to the event, or exhibit space at the event venue.] None of the sponsors at any of the [insert number] levels have industry sector exclusivity (the right to bar sponsorships by others). Sponsorship agreements and terms must be in compliance with Department of Commerce policy and procedure, which generally means that sponsorships may not be solicited or accepted from organizations that have an active or pending contract or grant with ITA, or an interest in a controversial matter before ITA. Additionally, sponsorships may not be in exchange for any benefits from ITA to the sponsor, such as special access to Government officials, control over the event agenda, or speaking roles based solely on sponsorship donations, although sponsors may receive acknowledgements and free attendance at events. The U.S. & Foreign Commercial Service (US&FCS) logo may be used on all marketing materials, invitational materials, and the event website in accordance with the US&FCS Emblem Use for Trade Promotion Events Policy.

VI. RESPONSIBILITIES OF THE PARTIES

- A. The DEC agrees to perform the following activities [as appropriate] and provide the following resources in support of this project:
1. Enter into the agreement for rental of the venue and related lodging and restaurant or catering services in consultation with US&FCS, as provided in Section IV above, and make payments for expenses directly to the venue and service providers.
 2. Seek and secure corporate sponsorships to help cover the direct and indirect expenses for the event. The DEC assumes responsibility for all direct costs of the event, even if the sponsorship funds raised and registration fees are not enough to cover these expenses.
 3. Work with US&FCS to develop the agenda for the programs and invite speakers, moderators and presenters for the event.
 4. Determine the registration fee to be charged for event participants. The goal in determining this fee is to make sure that this revenue along with the sponsorships will cover all expenses for the event. The DEC is responsible for financial transactions, payments, collection of fees, and reimbursements to the chosen venue for catering services and other vendors. Any surplus of funds will be divided as follows: DEC – 30%, US&FCS – 70%. The parties do not expect to make a profit from the event.
 5. Seek advice and guidance from local cooperating organizations regarding the selection and invitation of speakers and moderators.
 6. Work with US&FCS to develop a joint Marketing Strategy and promote, advertise, and recruit for the event throughout [insert appropriate geographic scope].

7. Provide to US&FCS the names, addresses, phone numbers, and email addresses of all attendees in digital format and hard copy within [insert number] days following the conclusion of the event.
 8. Work with the chosen venue and sponsors to execute and ensure the following:
 - a) [if appropriate] Provide online registration support, parking, event and meeting rooms and other facilities for approximately [insert estimate number] of projected attendees at the event.
 - b) [if appropriate] – Secure rooms for event registration, one-on-one meetings with Commercial Officers and Specialists, and a potential evening reception.
 - c) [if appropriate] – Secure rooms for event registration, general sessions, concurrent sessions and one-on-one meetings with Commercial Officers and Specialists, as well as: space for sponsor exhibit tables; AV equipment; a control room; continental breakfast; coffee, tea, refreshments etc. for breaks; luncheon; and evening reception.
 - d) [if appropriate] – Secure rooms for event registration, general sessions, concurrent sessions and one-on-one meetings with Commercial Officers and Specialists, as well as: space for sponsor exhibit tables; AV equipment; a control room; continental breakfast; coffee, tea, refreshments etc. for breaks; and luncheon.
- B. US&FCS agrees to perform the following activities [as appropriate] and provide the following resources in support of this joint project:
1. Assume all transportation, lodging and M&IE costs for foreign commercial officers and specialists participating in the event and U.S. Export Assistance Center trade specialists organizing, facilitating, and moderating the event.
 2. Work with the DEC to develop the agenda for the programs and invite speakers, moderators and presenters for the event, and to determine the fees to be charged for event participants.
 3. Contribute its marketing expertise to maximize recruitment of attendees, sponsors and speakers to support the event.
 4. Work with the DEC to develop a joint Marketing Strategy and, through its U.S.-located offices and industry and regional teams, participate in the Parties' joint Marketing Strategy and contribute to the recruitment effort through activities determined by the joint Marketing Strategy.
 5. Employ its Customer Relationship Management database (CRM) to identify, notify, and recruit potentially interested clients to participate in the event.
 6. Participate in one-on-one meetings, as appropriate and available, with interested event participants.
 7. Invite Commercial Officers/Specialists and provide names, bios, slide presentations, and titles of all USG officials attending the event.
 8. Arrange logistical requirements (other than meeting rooms arranged by the DEC pursuant to subparagraph VI.A.8 above) for the one-on-one meetings with the Commercial Officers/Specialists.
 9. Produce program guides for all participants, which shall include at a minimum sponsor and speaker information and trade statistics.

VII. CONTACTS

[USEAC contact]

[DEC contact]

The Parties agree that if there is a change regarding the information in this section, the Party making the change will notify the other Party in writing of such change.

VIII. TERM OF AGREEMENT AND MODIFICATION/TERMINATION

This MOA will become effective upon the date of signature by both Parties.

The DEC and US&FCS may amend the MOA by written agreement.

This MOA will terminate 90 days after the conclusion of the event.

Either Party may terminate this agreement by providing 30 days written notice to the other Party. In the event this MOA is suspended or terminated, each Party shall be solely responsible for the payment of any expenses it has incurred prior to the effective date of the suspension or termination. This agreement is subject to the availability of funds.

The terms of the MOA represent and integrate the full understanding of the Parties concerning the terms of cooperation. No prior verbal statements or written documents concerning the subject of the MOA are binding upon the Parties.

IX. OTHER PROVISIONS

Should disagreement arise on the interpretation of the provisions of this MOA, or amendments and/or revisions thereto, that cannot be resolved at the operating level the area(s) of disagreement shall be stated in writing by each Party and presented to the other Party for consideration. If agreement on interpretation is not reached within 30 days, the Parties shall forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

Under the Inspector General Act of 1978, as amended, 5 U.S.C. App.3, a review of this agreement may be conducted at any time. The Inspector General of the Department of Commerce, or any of his or her duly authorized representatives, shall have access to any pertinent books, documents, papers and records of the Parties to this agreement, whether written, printed, recorded, produced, or reproduced by any mechanical, magnetic or other process or medium, in order to make audits, inspections, excerpts, transcripts, or other examinations as authorized by law.

SIGNATURES:

**U.S. & Foreign Commercial Service
Global Markets
International Trade Administration
U.S. Department of Commerce**

By: _____
 [appropriate DOC representative—depending on event, could be DG, DDG, DAS for US Operations or the DAS designee]

Date: _____

[DEC]

By: _____

Date: _____

DEC Finances

Starting Balance:
Estimated Expenses:
Anticipated Revenue:

Coordination with Local Partners

Project or Activity:

DEC Role/Responsibilities:

- 1.
- 2.
- 3.

Partner:

Partner Role/Responsibilities:

- 1.
- 2.
- 3.

Partner:

Partner Role/Responsibilities:

- 1.
- 2.
- 3.

Project or Activity:

DEC Role/Responsibilities:

- 1.
- 2.
- 3.

Partner:

Partner Role/Responsibilities:

- 1.
- 2.
- 3.

Partner:

Partner Role/Responsibilities:

- 1.
- 2.
- 3.