

# DISTRICT EXPORT COUNCIL

## POLICIES & PROCEDURES MANUAL



**U.S.  
COMMERCIAL  
SERVICE**

*United States of America  
Department of Commerce*

**INTERNAL USE ONLY**

Office of the Deputy Assistant Secretary for U.S. Field  
U.S. and Foreign Commercial Service  
Global Markets  
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 Global Markets (GM)/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 61 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 public officials. DECs are not supported through government appropriations and do not represent the Department of Commerce, the International Trade Administration, Global Markets, 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, including a broad range of businesses and industry sectors. Membership should 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** individual who holds a position in a state or local government related to trade 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 changes in the position holder.

The Executive Secretary and this one state or local government representative (if one is selected 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.<sup>1</sup> 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.

An individual's representation of one or more foreign governments, including as Honorary Consuls, or entities owned by or affiliated with one or more foreign governments, may

<sup>1</sup> 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.

disqualify an individual from appointment to a DEC. Applicants must disclose the nature of any such representative relationship when applying for the DEC. Determination of eligibility is made on an individual basis based on the individual's ability to carry out the duties of a DEC Member representing solely the interests of the U.S. exporting community without the influence of foreign government interests, as well as the potential of the foreign appointment to raise appearance issues. Individuals who work for U.S. subsidiaries of foreign-owned companies are eligible to serve as DEC members.

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.

#### **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 that the opportunity exists to welcome new members to established DECs.

#### **3.1.5 Nominations**

The Department will accept nominations for DEC Member appointments for an upcoming term from July 1 until July 31 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, including a justification for membership statement, and must consent to sharing of their information with the DEC Executive Committee for consideration and if appointed consent to sharing of contact information other DEC members; the National Association of District Export Councils; trade and industry associations; and with Federal, State, and local government agencies with an interest in trade. 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. Field 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 ensure that, if all approved, at least 50 percent of the members will be exporters of goods, services, or commodities. The DEC Executive Secretary must submit all nominee information to the DEC Program Manager in the Office of U.S. Field by September 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. Field. The internal vetting and appointment process will be completed prior to the submission of recommended nominees for appointment by the Secretary.

Once a nominee is approved and appointed by the Secretary, the CS Office of U.S. Field 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. A Member who changes employment and continues working as an exporter or provider of export services may be eligible to continue as a DEC Member and is required to provide updated employment information to the Executive Secretary. The Executive Secretary will work with the DEC Program Manager to review whether the change in employment impacts the Member's DEC appointment, including the impact on the balance of representation on the DEC, potential appearance issues, and how the change impacts the criteria for appointment, including the individual's international trade leadership in the local community, ability to influence the local environment for exporting, knowledge of day-to-day international operations, and willingness and ability to devote time to Council activities.

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. Field. 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. Field 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 Program Manager in the Office of U.S. Field 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 biennially complete an online survey, in advance of the biennial nomination process, to update contact information and verify their continued eligibility to serve as DEC members. Members who do not complete the on-line survey will be contacted by the local Executive Secretary to update contact information and verify their continued eligibility. Failure of a Member to respond to the on-line survey and inability of the local Executive Secretary to contact the Member may result in termination of the Member's appointment.

## **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 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.

The Chair, Vice Chair(s), and Treasurer are selected every two years at the appointment cycle to serve by a simple majority of each DEC. Executive Committee elections for the positions of Chair, Vice Chair and Treasurer should be conducted as soon as possible following the new appointment of Members but no later than May 1. The Executive Secretary will conduct the elections. Elections should be managed in a way that individual votes are known only to the Executive Secretary. Email or electronic voting with confirmation of voting eligibility is recommended.

The Executive Secretary will:

- Ensure that any Member (other than an ex officio member), regardless of length of service, is permitted to be considered for the Chair, Vice Chair, and Treasurer of the DEC.
- Ensure that all Members (other than an ex officio member) are permitted to vote directly for the Chair, Vice Chair, and Treasurer of the DEC.
- Ensure that only those persons appointed to the DEC by the Secretary of Commerce cast votes for the Chair, Vice Chair, and Treasurer of the DEC.

If a candidate for an Executive Committee position is unopposed, a vote is not needed.

The Executive Secretary must forward the DEC's recommendations for the Executive Committee to the DEC Program Manager. The Deputy Assistant Secretary for U.S. Field will acknowledge selections of the Chair, Vice Chair(s), 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.

DECs are encouraged to select a Corporate Secretary to maintain the books and records of the DEC for legal purposes, including documents of incorporation, bylaws, and other items that

pertain to the functioning of the DEC as a separate legal entity. The Executive Secretary does not serve as the Corporate Secretary for the incorporated DEC entity.

### **3.2.3 Other Committees**

Some DEC's have created committees to focus on particular areas, including trade policy, membership, outreach, and trade education. DEC's 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 (other than as explicitly provided for in this Manual) 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, he or she 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's and CS. DEC interns are solely hosted by the DEC's and have no affiliation with and provide no services to CS. DEC's should seek independent guidance regarding sponsoring interns and accepting their services. These interns may not be given use of CS property or equipment and may not use the CS office as their primary workplace. DEC interns may work on DEC-CS joint projects or activities covered by a DEC-CS agreement, in which case a DEC intern may be allowed to use CS property or equipment as provided for under that agreement in furtherance of the joint project or activities.

Separately, CS may have interns through an established CS or Department of Commerce student intern program who, as part of their internship, work on CS-DEC joint projects or activities. 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. CS interns may not be required to report to a DEC office or location as their primary workplace.

DEC's have asked about offering financial assistance to CS interns in the form of scholarships, meals, training, transportation, or other gifts. CS considers offers of this nature to be between the DEC and the CS intern, neither of whom are subject to ethics rules that affect federal employees.

## **3.3. DEC ACTIVITIES**

### **3.3.1 Meetings**

Each DEC will hold a minimum of two meetings of the general membership annually. At least one meeting annually must be in person (although Members unavailable to participate in person may participate via phone or other technology at the discretion of the DEC. 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, DECs 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 DECs 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.

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 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 should approve the strategic plan; the Executive Secretary must concur on a redacted version of the plan (omitting any lobbying activities) and submit it to the CS Office of U.S. Field to be included as part of the local CS office annual strategic plan.

The DEC annual strategic plan *that is submitted to the Office of U.S. Field* 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 members 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 DEC's 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**

DEC's 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 are not 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**

DEC's 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 benefits 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, DECs 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, DECs, 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 DECs to contact members of Congress to support or oppose any legislation, nor may they ask the DECs to ask their clients to lobby. Neither may DECs ask CS personnel to contact or lobby members of Congress on their behalf.

### 3.3.9 Political Activities

DECs support the mission of the International Trade Administration to strengthen the competitiveness of U.S. industry and promote trade and investment. Contentious political issues often arise in the trade area, as the United States government decides upon and implements different policies and strategies to carry out that mission. DEC membership is not intended to limit the ability of DECs or DEC members to participate in the political process. At the same time, as appointees of the Secretary of Commerce, DEC Members are expected to support the work of the Commercial Service, the programs of which are directed by the Secretary. To maintain an effective working relationship between the Commercial Service and the DECs, DECs and individuals when acting in their DEC member capacity are strongly encouraged not to engage directly in any activities directed toward the success or failure of a political party or group or a candidate for partisan political office. Such activities include forming a political action committee or endorsing a political candidate or party as the DEC or as a DEC member.

Federal law bars Federal employees, who serve as Executive Secretaries for DECs, from engaging in such political activities when on duty; when in a Government building or on Government premises; or when using Government property or resources. The Executive Secretaries additionally may not use their official positions to influence an election.

### 3.3.10 DEC of the Year Award, and DEC Program Recognition

The CS may award 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 for the local CS Office, mentoring companies on joint visits with the 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 DECs 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. Field annually. 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 Program Manager, and a Network Director from the Office of

U.S. Field. The committee will review all nominations in accordance with selection criteria and submit recommendations to the Director General. No more than one DEC of the Year Award will be presented each year. DEC's 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. The Director General will decide the Award and any Certificate recipients.

### **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's 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.

#### **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. It is recommended that reserves not exceed operating expenses for the previous two years. DEC's with greater financial resources are encouraged to use the excess revenue to further support the exporting community through

sponsorship, training, and outreach. DEC's 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's do 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 export community 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 and prevent the appearance of misuse, DEC's are 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.

The Department does not consider reimbursement of a DEC Member's pre-approved expenses incurred for DEC business to be a benefit to that member.

#### **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's are urged to consider adopting a policy requiring the signature of the Chair or Vice Chair on checks that exceed a specified dollar amount. Disbursement of funds from joint events with CS is required to occur within 90 days of final accounting for the event.

#### **3.4.6 Tax Compliance Liability for Personal Services Contracts**

DEC's 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's 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's 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 NOT:

- Have a bank card (credit or debit) for any DEC account.
- Be listed as signer or viewer on any DEC account.
- Have direct access to DEC funds to pay expenses.
- Have access to other DEC accounts, like PayPal.
- Keep passwords for DEC accounts, even if not used.
- Accept cash payments on behalf of the DEC.
- Deposit funds into any DEC account.

Executive Secretaries MAY:

- Accept non-cash payments to the DEC at the CS office provided they immediately forward to the designated DEC Executive Committee member.
- Provide registration assistance for DEC and joint DEC/CS activities if the payment mechanism is set up by the DEC and the payment account is not accessible for withdrawals by CS personnel.

### **3.4.9 Gifts to Government Employees**

Federal Government employees are generally prohibited from accepting personal gifts. A DEC or a DEC member should not offer any Federal Government employee a gift unless an exception applies. Exceptions include:

- modest items of food and refreshments, such as soft drinks, coffee, and donuts, offered other than as part of a meal;
- gifts worth \$20 or less provided that the International Trade Administration (ITA) employee does not accept more than \$50 in gifts from the same source in a calendar year;

- meals offered as part of a widely-attended gathering (an event featuring a large (40 or more people) and diverse group) if attendance is approved by the ITA employee's supervisor;
- registration fees and meals, which are offered to all attendees, at an event where the ITA employee is a featured speaker on the day of his or her speech.

Gifts to support a CS program or activity offered to a CS employee are considered gifts to the United States Government and are governed by gift and bequest procedures. ITA may accept from a DEC, with prior ITA approval, a gift of property that supports ITA programs and unsolicited offers of travel support (transportation, lodging, per diem, registration fees) for events for which the ITA employee is on Government travel orders.

A DEC or its members cannot give funds directly to Federal employees.

### **3.4.10 Conflicts of Interest**

Federal employees cannot participate in any DEC matter in which the employee has a financial interest or in which one of the parties (or the representative of a party) is someone with whom the employee has a close business or personal relationship. Close relationships include:

- a close relative;
- a household member;
- an employer (or prospective employer) or client of a parent, spouse, or dependent child;
- a former employer or client of the employee for a period of one year after he or she left employment; or
- an organization in which the employee is an active participant.

DEC Members are appointed as volunteers and should not receive compensation from DEC participation or events, whether the event is one by the member's own DEC, another DEC, or a third party. However, DEC members may, at their discretion, reimburse DEC members for travel expenses related to participation in DEC events and for direct costs incurred (such as for materials and supplies) for DEC events.

DEC Members should use the title of DEC Member or a DEC officer only when carrying out DEC activities or as part of a personal or professional biography. While a DEC member should not be directly compensated for his or her time, skills, and experience for participating in DEC activities and events, DEC volunteer service does not preclude being compensated for providing products or services to third parties met through DEC activities and events.

## **4. LEGAL ISSUES**

### **4.1 LEGAL STATUS**

A DEC as appointed by the Secretary is a Council of appointed members. CS does not require or encourage DEC members to take on a separate legal form. Any DEC that decides to establish itself as a separate legal entity is assumed by the Department to do so for the convenience of the DEC. A

separate legal status does not allow for the Council to operate in a manner that inconsistent with this manual. DEC's should comply with applicable legal requirements in the relevant jurisdiction and are solely responsible for understanding those requirements and taking required actions to be fully legally compliant within their jurisdictions.

CS and the Department Office of General Counsel (OGC) will not review any documentation, including articles and bylaws, which a DEC develops in establishing itself as a legal entity.

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;
- Executive Secretaries are only designated as advisory, non-voting, ex officio members of the association or corporation; and
- All relevant documentation, including articles of organization and bylaws, 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.

## **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's may wish to purchase liability insurance for officers or members. Additionally, 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 GM/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, DEC's 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 GM/US&FCS**

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 MOAs, and CS offices may not receive event revenue from a DEC without an MOA that covers the event.

A template is provided for joint events between DECs and CS. This template will be updated annually.

DEC Executive Secretaries are asked to work with the DECs and submit to headquarters the ANNUAL EVENT DEC/CS MOA at the start of each fiscal year. This agreement will cover all DEC/CS joint export promotion projects for a fiscal year.

- The MOA will set forth the general responsibilities of each party.
- It also is the document that allows CS legally to carry out joint events and accept event revenue from the DECs.
- CS requests that this MOA be instituted with all DECs, even if an event seems unlikely at this time. Priorities change over the course of a year, sometimes rapidly, and discussing these joint export promotion events in advance is preferred.
- In addition, the template agreement includes an addendum that the USEAC Director and the DEC must utilize for each event that does not fit within the base terms and conditions in order to document the roles and responsibilities of the parties for such events.

Formal relationships between DECs and CS are subject to legal review by, and approval from, the Department of Commerce OGC, which shall review the relationships for legal sufficiency. OGC will advise only 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 the General Counsel.

## **5. NATIONAL DEC ACTIVITIES**

### **5.1 DEC NATIONAL STEERING COMMITTEE & NATIONAL ASSOCIATION OF DISTRICT EXPORT COUNCILS (NADEC)**

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 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 Association of District Export Councils, Inc., (NADEC) 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 agency or employees.

The NADEC works with the DECs on major DEC initiatives, including policy positions, trade education, and outreach. While the NADEC 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, Global Markets, 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 NADEC and may include sessions on DEC management, best practices, and updates from Commerce leadership. CS personnel, including the DEC Program Manager, will provide support for the event by coordinating participation of Department staff, contributing to agenda development to support the needs of DEC Members, and promoting the event to the DEC Membership.

## **6. GM/US&FCS ROLE AND ORGANIZATION**

### **6.1 U.S. DEPARTMENT OF COMMERCE ORGANIZATION**

The organizational structure of the U.S. Department of Commerce consists of 10 bureaus directly reporting to the Office of the Secretary of Commerce. Each of the 10 bureaus is headed by an Under Secretary or Director and is further divided into organizations headed by Directors (such the Bureau of Census) or Assistant Secretaries (such as Global Markets). A list of the 10 bureaus 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 bureau 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 units 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 Program Manager in CS’s Office of U.S. Field facilitates communication and activities between the CS and the DECs. The DEC Program Manager:

- 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 Program Manager’s address is:

*Office of the Deputy Assistant Secretary for U.S. Field  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Room 48033*

*Washington, D.C. 20230*

#### **6.4 REPORTING CONCERNS TO THE DEPARTMENT**

DEC Members may contact the following to ask questions or report concerns about DEC/CS activities or CS staff actions related to the DEC.

##### QUESTIONS

- DEC Program Manager, Laura Barmby  
(202)482-2675  
Laura.Barmby@trade.gov

##### CONCERNS

- DEC Program Manager, Laura Barmby  
(202)482-2675  
Laura.Barmby@trade.gov
- Deputy Director of U.S. Field, Ryan Rhodes  
(202)482-5451  
Ryan.Rhodes@trade.gov
- US DOC Office of the Inspector General  
(202)482-2495  
[www.oig.doc.gov/Pages/Online-Hotline-Complaint-Form.aspx](http://www.oig.doc.gov/Pages/Online-Hotline-Complaint-Form.aspx)



## DEC Finances

**Starting Balance:**  
**Estimated Expenses:**  
**Anticipated Revenue:**  
**Projected Ending Balance:**

## 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.

