



United States Department of the Interior

OFFICE OF THE SECRETARY

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FINANCIAL MANAGEMENT MEMORANDUM 2014-019 (Vol.I.A.)

To: Heads of Bureaus and Offices

From: Pamela Haze *Pamela Haze*
Deputy Assistant Secretary – Budget, Finance, Performance and Acquisition

Subject: Payment of Fees for Employee Membership in Professional Associations and Societies

This memorandum provides guidance on paying for membership fees for professional associations and societies.

5 U.S.C. §5946 generally prohibits the use of appropriated funds to pay for individual employee memberships in professional associations and societies, even if paying for such individual memberships might result in benefits to the agency.

The Comptroller General (CG) has, however, recognized exceptions under which, in limited circumstances, appropriated funds may be used to pay for an organizational membership in a professional association and society so that the bureau may benefit from the information and opportunities that those associations provide to their members.¹

Exceptions to the 5 U.S.C. §5946 Prohibition

- The prohibition under 5 U.S.C. §5946 does not apply if an appropriation is *expressly* available for payment of individual employee memberships. In other words, if the Department or your bureau/office does not have an appropriation that permits payment of individual employee membership fees, paying for individual employee membership in professional associations and societies is **prohibited**.
- While an agency generally may not pay for a professional membership for an individual employee, CG decisions have made it possible for an agency to use appropriated funds to purchase an organizational or agency membership upon an administrative determination that: 1) such expenditure would directly further the authorized mission of the agency; and 2) the expenditure is sufficiently related to carrying out the purposes of the appropriation. This “necessary expense” determination is not affected by any incidental benefits that might accrue to an individual employee as a result of the membership. Such an organizational membership might, for example, be purchased for a specific agency office, as opposed to an individual employee, as long as the administrative determination

¹ For a more extensive discussion of this issue, including references to relevant Comptroller General Decisions, see the General Accounting Office’s *Principles of Federal Appropriations Law* (“The Red Book”), pp. 4-234 to 4-242.

described above has been made. When applying the “necessary expense” rule, an expenditure can be justified after meeting a three-part test:

1. The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available.
 2. The expenditure must not be prohibited by law.
 3. The expenditure must not be otherwise provided for, that is, it must not be an item that falls within the scope of other appropriation or statutory funding.
- Under the Government Employees Training Act (5 U.S.C. §4109 (b)), appropriated funds may be used to pay an individual membership fee *only* to the extent that the fee is a necessary cost directly related to essential training, or a condition precedent to undergoing such training. For example, association membership may be included in the registration fee for training authorized by the above statute. If the agency pays the registration fee, the employee’s membership in the association is an incidental by-product of the training, and as such would not implicate the prohibition under 5 U.S.C. §5946.
 - Note that, with regard to the separate issue of professional credentials and licenses, 5 U.S.C. § 5757 provides agencies with discretion to use appropriated funds for an employee to obtain professional credentials.² 370 Departmental Manual 410 provides departmental guidance regarding agency payment of such expenses under the above statute.

Potential Ethics Concerns

Membership in a professional organization or association may offer benefits that support a bureau’s mission. Bureaus, however, should exercise due diligence when determining the propriety and risk of the membership. For example, while payment of membership fees in an organization may be allowable under one of the exceptions above, if either an individual or agency membership would create an actual or apparent conflict of interest (e.g., funds are provided to the organization by the bureau such as through contracts, grants, or cooperative agreements; or the bureau has a regulatory relationship with the organization), then the ethical propriety of bureau-funded individual or agency membership should be carefully considered, and be pursued only after consultation with the relevant bureau ethics officer. If you have questions about the ethical propriety of membership in a particular organization, please contact your bureau’s Deputy Ethics Counselor or the Departmental Ethics Office at DOI_Ethics@sol.doi.gov or (202) 208-7960.

If you have any questions regarding this policy, please contact Michael Anthony, Staff

² Note that this authority is not available to pay such fees for employees in, or seeking to be hired into, positions excepted from the competitive service because of the confidential, policy-determining, policy-making, or policy-advocating character of the position. 5 U.S.C. § 5757(b).

Accountant in the Office of Financial Management, at (202) 208-6824 or via e-mail at Michael_Anthony@ios.doi.gov. For questions on issues with lobbying activities, please contact the Division of General Law, Branch of General Legal Services at (202) 208-5216.

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