

BO.05.00	Membership Dues, Professional Certifications, Licenses, and Fees on State Funds (L2 or L3)
Owner/Contact Information:	COS Office of Finance and Business Management
Effective Date:	May 20, 2020
Last Revised/Reviewed:	May 20, 2020
Related Policies:	NCSU Basic Spending Guidelines by Fund Source North Carolina State Budget Manual REG 07.05.01 – Payments-Documentation Requirements for Expenditures Controller’s Office – Documentation Requirements for Expenditures Prohibited Purchases on State Appropriations

1. PURPOSE/INTRODUCTION

To provide direction and clarification in charging membership dues and fees, as well as expenses associated with obtaining and maintaining professional certifications and licenses to state funds on L2 or L3. Henceforth, any reference to membership(s) or membership dues shall also mean fees or costs associated with membership in an organization, obtaining and/or maintaining professional certifications or licenses. This Standard Operating Procedure (SOP) illustrates the steps to determine if and when these types of expenses can be charged to state funds (Section 3.1), the related documentation required to process the financial transaction (Section 3.2), as well as the required approvals (Section 3.3).

Per the [NCSU Basic Spending Guidelines by Fund Source](#) and per the [North Carolina State Budget Manual, Section 4.7.4](#), membership dues may not be paid for individual employees or for the benefit of an individual employee and **shall be kept to a minimum**. Membership dues paid from state funds **must be for the benefit of the university and not the individual**. If the university is to benefit from an individual’s membership in an organization, that benefit should derive not because of the individual, but because of the individual’s position with the university, regardless of who is in the position. Although a membership may be in the name of an individual, his/her membership terminates at the same time he/she terminates employment with the university or moves to another department. The department head or his/her designee must review and approve all memberships to determine that the benefits accruing to the State from such memberships will exceed the costs.

[Per REG 07.05.01, Section 3.6](#), and the [Controller’s Office website outlining documentation requirements for expenditures](#), payments to higher education and related state and national associations for institutional or individual memberships should be carefully reviewed to determine that substantial benefits accrue to the University. Individual memberships paid from State funds **shall be kept to an absolute minimum**; however, a request may be approved for payment from State funds by the Dean or their designee. Payment for membership dues in civic or political organizations, “clubs” or like organizations are not permitted from any University fund source.

If an employee’s position description contains a requirement for certification(s) or license(s), state funds may be used to obtain and maintain such certification(s) or license(s).

If an employee's position description does not contain a requirement for certification(s) or license(s) and the knowledge, skills, and abilities attained in learning the material to prepare to obtain such certification(s) or license(s), as well as attending educational opportunities for professional credits to maintain such certification(s) or license(s) is applicable to the employee's current position, state funds may be used to support the employee's talent development program. However, state funds may not be used for testing, membership in an organization, or any fees required to sit for an examination to obtain such certification(s) or license(s).

2. DEFINITIONS

Account Custodian – The person who is fiscally responsible for the project

State Funds – Any project# on L-2 or L-3

3. PROCEDURAL STEPS

3.1 **Allowability** – Determine if expenditure can be charged to state funds.

3.1.1 Membership Dues – Membership dues can only be charged to state funds under the following conditions:

3.1.1.1 Position description clearly states and requires the membership or

3.1.1.2 Circumstances under which payment of membership dues can clearly demonstrate cost savings to the institution (circumstances may include, but may not be limited to, conference registration savings [see Section 4 for example to determine savings], reduced journal publication rates, etc.)

If none of the above conditions are met, membership dues can only be charged to L-6.

3.1.2 Professional Certification(s) or License(s) – Expenses associated with obtaining and maintaining professional certification(s) or license(s) can only be charged to state funds under two conditions:

3.1.2.1 Position description clearly states and requires (not simply preferred) professional certification(s) or license(s) – all expenses associated with obtaining and maintaining the certification(s) or license(s) are allowable.

3.1.2.2 Position description does not require professional certification(s) or license(s) – only expenses associated with training and educational opportunities where the knowledge, skills, and abilities attained are applicable to the employee's current position are allowable. However, state funds may not be used for testing, membership in an organization, or any fees required to sit for an examination to obtain such certification(s) or license(s).

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- 3.2 **Documentation** – Per REG 07.05.01, Section 2, individuals designated as Account Custodians have the responsibility to ensure that proper documentation procedures are followed for the accounts which they control and to ensure that only authorized expenditures are made from their accounts. Lack of appropriate documentation will be considered cause for nonpayment or nonreimbursement of expenditures. Once determined that membership dues, professional certification(s) or license(s) can be charged to state funds, the following documentation is required to be attached to the financial transaction:
- 3.2.1 If an individual membership is required for employment (not simply preferred), as outlined in the position description, **attach** a copy of the position description highlighting the requirement.
 - 3.2.2 If membership results in cost savings to the state, **attach** documentation that clearly demonstrates the savings. For example, for conference registration savings, provide documentation stating the membership amount, as well as documentation for the reduced rates, such as the non-member conference registration amount, and the member conference registration amount, such that it is evident that the membership fee and member conference registration amount do not exceed the non-member conference registration (see Section 4 for example to determine savings).
 - 3.2.3 If membership is required to access resources or participate in activities, **attach** documentation from the organization’s website demonstrating this requirement.
- 3.3 **Approvals** – Approvals required for membership dues, professional certification(s) or license(s) charged to state funds.
- 3.3.1 The Dean or their designee must review and approve all membership dues, as well as expenses associated with obtaining and maintaining professional certification(s) or license(s), to ensure that the expenditures comply with the allowability criteria set forth in Section 3.1 of this document.
 - 3.3.2 All receipts/invoices for these expenditures must have the Dean’s or their designee’s approval on the receipt. Approval for one’s own expenses is not allowed.
 - 3.3.3 A designee is an employee who has supervisory and fiscal responsibility for a unit.
- 3.4 **Payment** – Processing a financial transaction for payment of these expenditures may be in the form of a PCard transaction or a voucher payment, with a preference to using a PCard.

4. CHARTS/GRAPHS/FORMS

**EXAMPLE OF CONFERENCE DUES AND FEES
COST SAVINGS VS NO COST SAVINGS**

COST SAVINGS		NO COST SAVINGS	
Membership Dues	\$100	Membership Dues	\$100
Member Conference Fee	<u>\$800</u>	Member Conference Fee	<u>\$950</u>
Total Member Fees	<u>\$900</u>	Total Member Fees	<u>\$1,050</u>
Non-Member Conference Fee	\$1,000	Non-Member Conference Fee	\$1,000
Total Member Fees	<u>-\$900</u>	Total Member Fees	<u>-\$1,050</u>
Total Decrease in Costs	\$100	Total Increase in Costs	\$50

5. REVISION TABLE

Revision #	Subsection #	Summary of Changes	Approval Date
BO.05.00	N/A	Original version	05/20/2020