



## B. Membership Guidelines

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### Purpose

To clarify allowable and prohibited payments related to University-sponsored memberships in professional agencies, organizations and associations. Guidance regarding appropriate fund sources and taxability is also included.

The University establishes institutional memberships in organizations that would promote the advancement of education and research, enhance the professional standing and development of its faculty, staff and administrative personnel, and/or facilitate favorable campus- community relations.

### Scope

These guidelines shall apply to all university paid memberships and all university employees.

### Guidelines

The following are areas to consider when reviewing membership payments:

- A membership in an organization must be used primarily for business purposes. The organizational activities must contribute to one of the University's major functions of teaching, research, patient care, or public service.
- Institutional memberships shall be in the name of the University and shall designate the name of the individual who will represent the University. This promotes the transferability of the membership. If an organization requires that the membership be in the name of an individual, said membership will need to be justified as to its appropriateness in relation to the individual's position.
  - All purchased memberships must use a Cal State University, Fullerton address. Payments related to an employee's job-requirement licensing may use their personal home address.
- Whenever possible, institutional rather than individual memberships shall be obtained as the former may allow participation by several or alternate employees.
- Departments may purchase an institutional membership in an organization to secure its periodicals if the periodicals cannot otherwise be secured. Such periodicals shall become the property of the University rather than of an individual and must be made available to all CSUF faculty, staff and students.
- Memberships should not extend beyond 12 months unless significant cost savings can be documented.
- When an Accounts Payable Check Request is submitted for the payment of new membership dues, it must be accompanied by an invoice, Justification Form, applicant and/or renewal form from the organization and must indicate inclusive dates of the membership period.
  - If paying for a membership utilizing a university P-Card, the P-Card documentation submitted should contain the same.
- The budget manager should review all memberships annually to ensure only one subscription or membership per individual / department is paid for in any fiscal year. See current list on the Accounts Payable website: [adminfin.fullerton.edu/finance/aptravel](http://adminfin.fullerton.edu/finance/aptravel).

### Examples of Allowable Memberships

All payments for membership and service club dues must include a statement explaining the business purpose, why it is required, and the benefit to the University. A membership to one of the following types of organizations is generally permitted:

- Organizations of universities and colleges, including accrediting agencies, such as the National Association of State Universities and Land Grant Colleges, International Association of Universities, American Association of Universities, National Commission on Accrediting, or Western Association of Schools and Colleges.
- Organizations of professional schools and colleges, including accrediting agencies, such as the American Association of Colleges of Pharmacy, American Society for Engineering Education, or Association of American Medical Colleges.
- Organizations of institutional service agencies and administrative officers, such as the American Association of Collegiate Registrars and Admissions Officers, Institute of Internal Auditors, Western Association of College and University Business Officers, or National Association of Student Personnel Administrators.
- Scholarly societies, such as the Modern Language Association or American Economic Association



- Community organizations, such as the Chamber of Commerce or Urban League.
- Social organizations, such as business, athletic, luncheon, sporting, airport, hotel clubs. Only the President, or his or her authorized designee, may approve the payment of a membership to a social organization.

Memberships obtained under the following circumstance are also generally permitted:

- Memberships to secure periodicals, such as the American Society for Testing and Materials, Association for Symbolic Logic, or Council for Advancement and Support of Education.
  - (Notify the University library of the intent to purchase a membership of this type to ensure that the periodicals being sought are not otherwise available on the campus.)
- Memberships to obtain office supplies and equipment, such as membership with a discount department store.

## Examples of Prohibited Memberships

A University or individual membership payment to one of the following types of organizations is generally prohibited:

- Organizations that are primarily social or that support any political action or activity, i.e. country clubs, the Elks, Rotary Club, the NRA, NOW.
- CA Education Code Section 92150 prohibits the expenditure of University funds for membership in organizations that discriminate on the basis of race, religion, sex, age, color, national origin or individual handicap.
- Membership in an airline, airport, or transportation club
  - The purchase of an occasional, one-day membership may be allowed if a significant business purpose for its use can be demonstrated, such as a planned meeting or conference call. The cost of the one-day membership would be reimbursable as a miscellaneous travel expense.

## Funding Source Requirements

Memberships to the following types of organizations may be directly charged to a Federally-funded award only if terms of the award explicitly allow it:

- Business
- Technical
- Professional

A membership to the following type of organization cannot be charged to Federal or state funds:

- Civic
- Community
- Country, dining, or social club.

Membership dues should be coded to CFS account code 660801. The FIRMS Object Code is 660090.

## Taxation of Personal Usage of Memberships

In accordance with IRS reporting requirements, a member's non-business use or non-justification for the membership must be reported as a taxable fringe benefit compensation. Substantiation of business use is required under IRS Code Sections. The imputed income amount of the membership will be added to your pay warrant and appropriate payroll withholding taxes deducted.

Any imputed income would be filed on SCO Form 676P (Code DM) with the CA State Controller's Office in a timely manner.

For additional clarification, please contact the University Tax Compliance Manager or University Controller.

### **IRS Substantial Authority:**

IRC § 132 Certain Fringe Benefits

IRC § 274(d) Substantiation Required

Revenue Reconciliation Act of 1993 – Discussion of non-business use of social club membership.