

## **Is My Council Membership An Allowable Cost?**

### **YES! But, for the sake of clarification:**

- a) Recognizing that the federal government knows that the Council engages in lobbying, how does the Federal Government define the Council?
- b) Can an institution or agency that receives federal funds use those funds to join such an organization?

### **How does the federal government define the Council for Opportunity in Education?**

It's important to understand that the responsibility of defining organizations for federal purposes rests solely with the Internal Revenue Service (IRS). The IRS defines the Council for Opportunity in Education as a professional or technical association organized for charitable purposes. The Council was required to apply for this status to the IRS and submits annual records of its expenditures (including its expenditures on lobbying) to maintain this status. Also, for the record, the Federal Government does not define any organization as a "lobbying organization".

It is of course important to know whether a technical or professional organization organized for charitable purposes is allowed by the Federal Government to lobby. Every individual and corporation in the United States has a right to lobby (speak freely and petition the government) as guaranteed by the Constitution. In order to maintain its status as a charitable organization under the IRS code, the Council must report the monies it spends on lobbying and assure that these expenditures are below a defined level. The amount and percentage of the Council's expenditures on lobbying are well below the amount allowed a "charitable organization."

### **Can an organization that receives federal funds use those funds to join an organization such as the Council?**

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, in section 200.454, specifically notes: "(a) Costs of the non-Federal entity's membership in business, technical, and professional organizations are allowable." Such membership must, of course, provide benefits to the program funded under the federal grant (be reasonable and allocable). Since the Council is a technical or professional organization, costs of an institution's membership in the Council may be paid with federal funds.