Name of Policy: **Membership dues and subscriptions**

**Policy Number:** 3364-40-04

**Approving Officer:** Executive Vice President for Finance and Administration / CFO

**Review Date:** August 25, 2017

**Original effective date:** March 1, 2010

**Responsible Agent:** Controller

**Scope:** All University of Toledo Campuses

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(A) **Policy statement**

Membership dues and subscriptions may be paid with university funds providing they are appropriate for the individual’s position and duties and if the membership or subscription benefits the university. Private clubs may offer private memberships and/or corporate memberships. An employee selecting a private membership will have a taxable fringe benefit on the value of the membership. An employee selecting a corporate membership must attest that the membership will be exclusively used for legitimate business purposes; and the corporate membership will not be considered a taxable fringe benefit.

(B) **Purpose of policy**

To ensure proper use of university funds in relation to membership dues and subscriptions

(C) **Roles and Responsibilities**

(1) Generally membership dues and subscriptions paid for using public funds should be issued in the name of the University of Toledo.

(2) The university may pay for memberships dues to professional organizations and subscriptions to professional journals or newspapers if they are appropriate for the individual’s position and duties and if the membership or subscription benefits the university.

(3) Each request for membership in a professional organization or subscription should be processed on a requisition or purchased using a University of Toledo purchasing card. The purchaser must document on the requisition or comment in the purchasing card system, the justification for the dues or subscription including the benefits received by the university, the appropriateness for an individual’s position, and/or the benefits to the individual’s professional development and job performance.

(4) To avoid duplication departmental coordination of subscriptions in encouraged.
(5) Union dues are not to be paid by the university.

(6) Generally private club memberships are not to be paid for with university funds. However, in certain instances, with the approval of the president, where it is determined that the membership is of clear benefit to the university, and where the ownership interest is in the name of the university, membership dues paid to private clubs can be permitted. Individual entertainment expenditures are subject to the approval and documentation required in the travel and business expense reimbursement policy 3364-40-03. Payment for personal use is the responsibility of the individual, not UT's.

(7) Corporate Club Memberships – social memberships at local clubs in the name of the University of Toledo to be utilized by executive leadership to host University events and conduct official University business only. Personal use of the corporate club membership is prohibited.

Acceptable uses of the corporate club membership include:

- University sponsored events hosting outside guests
- Donor events
- University events hosted by the University of Toledo Board of Trustees
- Business meals including non-university faculty or staff
- Other University-wide special events

Use of the corporate membership must be coordinated with the Office of Special Events.

The corporate club membership is not used for personal use and, as such, is not considered a taxable fringe benefit for any employee of the University.

(8) Restricted funds – memberships and subscriptions are not generally allowable on a sponsored project. These costs are seldom directly necessary for the performance of a sponsored agreement and would not be paid by the sponsor as part of the facilities and administrative rate. However, under certain unusual circumstances, membership dues and/or subscriptions may be allowable under a sponsored agreement. Faculty and staff should contact the principal investigator and grants accounting before attempting to charge these expenditures to a sponsored project.

(D) Tax Consequences

The Internal Revenue Service (IRS) considers general club memberships (see C(6) above) as taxable fringe benefits. Therefore, the value of club memberships is subject to withholdings for Federal, State, local, and Medicare taxes. Club membership benefits must run through the University's payroll system for proper withholdings to occur. The IRS does not allow club memberships as tax deductions so benefits of club memberships cannot be reduced based on a proportion of business use.
All UT Foundation paid club dues are applicable to the same IRS regulations. Therefore, the value of the club memberships paid by UT Foundation will need to be processed through the University payroll system as well.

Approved by:

Lawrence R. Kelley
Executive Vice President for Finance and Administration /CFO

August 25, 2017

Date

Review/Revision Completed by:
Senior Leadership Team

Policies Superseded by This Policy:

01-007 Institutional Dues and Memberships(former Health Science Campus policy, previous review date July 1, 2003)

Initial effective date: March 1, 2010
Review/Revision Date: July 25, 2012, August 25, 2017
Next review date: August 25, 2020