Guidelines on Paying for Professional Employee Licenses, Certifications, Memberships, or Training

Agencies may receive requests or on their own initiative want to pay the costs associated with a professional employee license, certification, or membership in a professional organization or a training opportunity. These guidelines are intended to aid agencies when considering whether to pay these costs associated with professional staff. The costs considered in these guidelines are the following:

- Professional licenses granted by a government agency;
- Certificates granted by a public or private entity;
- Membership in professional organizations; and
- Training related to professional status or required to maintain a professional license.

Professional Licenses and Certificates
When considering whether to pay the cost of professional licenses and certificates, the agency must first determine whether the agency has authority to make the payment.

Authority to Pay the Cost of Professional Licenses and Certificates
If the agency has specific statutory authority to pay the cost of professional licenses and certificates, the agency may make the payment without any further consideration. If there is no specific statutory authority, the agency must then determine whether it has other authority to pay these costs.

If a professional license or certificate is required to engage in the profession and is also required for the job or position, then the agency may pay the cost of the license or certificate as part of the employee’s compensation if the agency has the authority to establish that employee’s compensation level. A profession is a type of job that requires special education, training or skill. Examples of a profession include but are not limited to the following: attorney, medical doctor, nurse, electrician, plumber, or truck driver.

- Agencies do not have the authority to establish salary levels for classified employees. Classified salary schedules are either set by the Office of Financial Management for nonrepresented employees, or through collective bargaining agreements for represented employees. Therefore, agencies may not pay the cost of professional licenses and certifications as compensation for classified employees.
- Agencies that have the authority to establish the salary level for exempt and Washington Management Services (WMS) employees may pay the cost of professional licenses and certifications as part of the compensation package. In those instances, the payment is reportable as taxable income.

If the professional license or certificate is required to engage in the profession, but is not required for the job or position, then the agency may pay the cost of the license or certificate as an agency expense if the agency derives a benefit from the actual license or certificate. If the agency has authority to pay this cost, when determining whether to pay the cost the agency
still needs to weigh the benefits derived from the employee being licensed or certified against
the cost. Factors to be considered include but are not limited to the following:

- Does the license or certificate allow the agency access to beneficial materials, contacts,
or other resources that it could not otherwise access?
- Does the license or certificate allow the employee access to areas or events that would
  not otherwise be available?
- How would payment or nonpayment impact recruitment and retention?
- Does the pay scale for the position take into consideration the agency’s payment or
  nonpayment for the license or certificate?
- Is there funding available - both current and future?

Here is a decision tree to help guide agencies through the decision process. In addition, it is
recommended that the agency’s consideration process be formalized in policy and that it be
consistently applied.

Training related to professional status
When considering paying for training related to professional status, an agency should ensure
that:

- The training is directly related to the employee's work.
- The training either maintains or enhances the employee's work-related skills.
- The employee shares the information gathered at the training with co-workers as
  needed.

If the training meets the appropriate preceding criteria and prepares an employee for a license
or certification examination, the agency may pay for the training. However, the cost of the
examination is generally considered a personal expense.

Memberships in professional organizations
When paying for membership in professional organizations, an agency should weigh the benefit
it derives from paying for the membership against the cost. Factors to be considered include
but are not limited to the following.

- The amount of influence membership gives the agency over standards setting decisions
  made by the professional organization.
- Access to resources through the membership, such as interaction with other
  professionals, trainings and publications.
- Discounts on resources provided to members of the professional organization.
- The degree to which the membership enhances the employee’s job performance.
- The cost or benefit or both to the agency of having multiple employees having
  membership in the same organization.
- The amount of participation required of the employee as a member of the organization.
- Funding availability to cover the cost of the membership.
• Ethical considerations such as the organization’s involvement in lobbying or political activities or the organization’s promotion of endeavors in which the employee may have a direct or indirect financial interest.

**Taxable Fringe Benefit**
As noted above, depending on circumstances, agencies may consider paying for training and membership in professional organizations. The Internal Revenue Service (IRS) establishes regulations regarding when agency payments for training and memberships should be considered a taxable fringe benefit. General guidance is provided in the IRS Employer’s Tax Guide to Fringe Benefits at [https://www.irs.gov/pub/irs-pdf/p15b.pdf](https://www.irs.gov/pub/irs-pdf/p15b.pdf).