



The Comptroller General
of the United States

Washington, D.C. 20548

Lupton

Decision

Matter of: Federal Highway Administration - Cost of
Social Events as Conference Expenses

File: B-224830

Date: March 20, 1987

DIGEST

Federal agencies may expend appropriated funds for registration fees required for attendance at state-sponsored conferences even though registration includes identifiable cost of a social event so long as the social event cost is a mandatory non-separable element of the registration fee.

DECISION

The Director, Office of Administrations, Federal Highway Administration, Fort Worth, Texas has requested a decision on the propriety of using appropriated funds to reimburse certain employees for conference registration fees that included the cost of social events. We conclude that appropriated funds may be expended for conference registration fees in this situation.

The Federal Highway Administration authorized certain of its employees to attend a Financial Management Conference sponsored by the State of Oregon Department of Transportation. Federal agencies are authorized under the provisions of 5 U.S.C. § 4110, to expend their appropriations for employees to attend meetings "which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of the functions or activities." The conference sponsor had established a package registration fee of \$105 per person which consisted of \$75 for the basic conference and \$30 for social events. The social events were held in the evening after the conference had concluded and no official business was conducted at these affairs. Attendance at the social events was optional; however, payment of that part of the registration fee was obligatory in order to attend the conference. Based on our

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decision, B-186820, February 23, 1978, the Federal Highway Administration has not yet reimbursed the employees for the part of the registration fee representing the social events, pending a ruling on the legality of such payments from this Office.

As a general rule recreational and social events such as parties and cocktail hours may not be paid for with Federal funds unless specifically authorized by statute and also authorized or approved by proper administrative officers. 43 Comp. Gen. 305 (1963). The basis for the rule is that entertainment is essentially a personal expense even when it occurs in some business-related context. B-186820, supra, cited by Federal Highway Administration followed this rule. There is a similar rule against the use of Federal funds to pay for employee meals, snacks and refreshments at their official duty stations. See 64 Comp. Gen. 406 (1985). However, in the case of employee meals, we have made an exception to the general rule when the cost of such items is included as a non-separable mandatory element of the registration fee of a training course or conference approved for employee attendance by agency officials. 38 Comp. Gen. 134 (1958). We think the exception provided in that case would be equally applicable to the cost of social events that are included as non-separable mandatory elements of conference registration fees.

When the cost of meals, social events or entertainment are an integral and mandatory part of conference or training registration fees, the agency official charged with the responsibility of approving employee attendance at these events must decide whether the entire registration fee is justified by the anticipated benefit that is to be gained by employee attendance. If the expense is justified on the basis of the benefit the agency is to obtain, mandatory items such as the cost of social events included in the registration fee, that would otherwise be unallowable, may be disregarded and the entire registration fee may be paid.

Accordingly, the Federal Highway Administration may reimburse each employee attending the conference the \$30 cost of social events as a mandatory non-separable element of the conference registration fees.

for Milton J. Sorensen
Comptroller General
of the United States