

DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: B-221191

DATE: August 18, 1986

MATTER OF: Continuing Education Credits to Attendees of
HUD's Real Estate Seminars

DIGEST: GAO will not question HUD's use of appropriated funds to obtain a certificate of authority to grant continuing education credits to attendees of seminars HUD conducts, provided HUD administratively determines such expenditure constitutes a necessary expense.

The Director of the Office of Finance and Accounting, Department of Housing and Urban Development (HUD) requests an advance decision as to whether HUD may pay the State of California \$500 for a certificate authorizing HUD to grant continuing education credits incident to certain seminars it conducts. Consistent with our discussion below, we will not question the proposed expenditure.

Recently, HUD officials in California have conducted training seminars for real estate professionals on the subject of HUD's programs and procedures. In order to increase attendance at these seminars, HUD wishes to apply to the State of California for authority to grant continuing education credits to attendees. The credits could be used to meet California's real estate licensing requirements. California's 2-year certificate of authority to grant such credits would cost HUD \$500.

HUD officials ask whether the proposed expenditure may properly be made from HUD's appropriated funds. They acknowledge that since the seminar is designed for real estate professionals, HUD would essentially be spending appropriated funds in order to confer a private benefit on select non-Government employees, i.e., those who attend the seminars. Nonetheless, HUD officials suggest that granting the credits "would not only increase attendance [at the seminars], but would increase business for HUD programs and disseminate more current information into the real estate field which would assist HUD in carrying out its mission."

The letter of request from HUD's Office of Finance and Accounting does not identify any specific source of authority under which the training seminars are conducted. Accordingly,

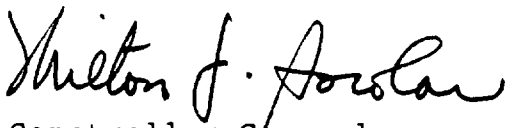
we must assume the seminars are conducted pursuant to HUD's general authority "to encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department." Pub. L. No. 89-174, 79 Stat. 667, 668 (1965) (codified at 42 U.S.C. § 3531 (1982)). We were informally advised that the account to be charged with the proposed expense would be HUD's "Management and Administration" account. This account provides for "necessary administrative and non-administrative expenses of the Department of Housing and Urban Development." Pub. L. No. 99-160, 99 Stat. 914 (1985).

Except as otherwise provided by law, appropriations may be used only for the objects for which they were made. 31 U.S.C. § 1301(a) (1982). A well-established corollary to this rule is that an appropriation confers authority to incur expenses which are necessarily incident to achieving an authorized objective. B-211531, July 18, 1983; 6 Comp. Gen. 619 (1927). In this context, we have construed the term "necessary expense" to be a "current or running expense of a miscellaneous character arising out of and directly related to the agency's work." 52 Comp. Gen. 504, 505 (1973).

An agency has considerable discretion in determining how it will achieve the objects of its appropriations. Accordingly, GAO will grant substantial deference to an agency's administrative determination that a given expenditure constitutes a necessary expense. 63 Comp. Gen. 110 (1983); B-130053, Dec. 20, 1956.

In the present case, it appears that HUD's activities in actually conducting the seminars are directly related to the statutory authority directing HUD's interaction with the private sector. See Pub. L. No. 89-174, supra. In view of this, we cannot conclude that the cost of providing continuing education credits to seminar attendees is so removed from the agency's mission as to preclude it from constituting a necessary expense.

Accordingly, if HUD administratively determines that the cost in question is a necessary expense, we will not question the expenditure.

for 
Comptroller General
of the United States