

Material Transmitted:

Department of Health and Human Services (HHS) Instruction 575-2, Reimbursement of Expenses to Obtain Professional Credentials, dated March 30, 2011

Background:

This instruction provides guidance to OPDIVs on criteria for reimbursing employees for expenses incurred to obtain professional credentials that relate to the mission, goals and objectives of that agency.

This issuance is effective immediately. Implementation under this issuance must be carried out in accordance with applicable laws, regulations, bargaining agreements, and Departmental policy.

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INSTRUCTION 575-2

SUBJECT: REIMBURSEMENT OF EXPENSES TO OBTAIN PROFESSIONAL CREDENTIALS

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575-2-00 PURPOSE

This Instruction establishes Department of Health and Human Services (HHS) policy and procedures for the reimbursement of expenses to obtain professional accreditation, licenses, certifications and examinations and related expenses to obtain such credentials. On December 28, 2001, Congress amended Title 5 of the United States Code (5 USC) 5757 to give the head of an agency the flexibility to use appropriated funds or funds otherwise available to agencies to pay for licenses and credentials that relate to the mission, goals and objectives of that agency. The law also allows agencies to pay bar examination and court admission fees in the interest of HHS mission objectives.

It should be noted, however, that this instruction does not address the use of appropriated funds to pay membership fees or dues in a society or association, or to pay expenses of attendance of an individual at meetings or conventions of members of a society or association. These expenses are outside of the scope of this law and this instruction.

Agencies must use this authority consistent with the merit systems principles in Title 5 USC §2301 and consistent with any collective bargaining obligations.

575-2-10 REFERENCES

- A. Defense Authorization Act for FY 2002 (Section 1112 of Public Law 107-107)
- B. 5 USC § 5757 (payment of expenses to obtain professional credentials)
- C. 5 USC § 5946 (membership fees, expenses for attendance at meetings, limitations)
- D. 5 USC § 2105 (definition of employee)

575-2-20 COVERAGE AND EXCLUSIONS

A. Coverage

The provisions of this Instruction apply to full-time or part-time competitive or excepted service employees, which include:

1. Senior Executive Service
2. Senior Level or Senior Technical
3. General Schedule (including GP and GR employees paid under Title 38)
4. Prevailing Rate System (Federal Wage System)
5. Title 42 (e.g., SBRS, 209(f), Service Fellows, etc.)

B. Exclusions

1. Employees occupying or seeking to qualify for appointment to any position that is excepted from the competitive service because of the confidential, policy determining, policy-making, or policy advocating character of the position (e.g., Schedule C appointees).
2. Members of the Public Health Service Commissioned Corps.
3. Employees serving on intermittent work schedules.
4. Employees serving on time-limited appointments that are expected to last for 1 year or less.
5. Employees whose most recent performance rating of record is less than Fully Successful.

575-2-30 DEFINITIONS

- A. Certification Program. A program that involves a process in which individuals attain and demonstrate the level of knowledge and skill required to perform in the profession, occupation, or roles. Examples include Certified Public Accountant (CPA) or Project Management Professional (PMP).
- B. Licensure. A process by which a governmental authority grants permission to an individual practitioner or organization to operate or to engage in an occupation or profession.
- C. Professional Accreditation. A formal process by which a recognized body, usually a non-governmental institution, assesses and recognizes that an organization meets applicable, pre-determined standards.
- D. Professional credentials. Documents that attest to the truth of stated facts. For the purpose of this Instruction, professional credentials include professional accreditation, State-imposed and professional licenses, and professional certifications and registrations.

575-2-40 RESPONSIBILITIES

- A. Office of Human Resources (OHR), Assistant Secretary for Administration (ASA), is responsible for:
1. Updating and maintaining this policy;
 2. Advising Operating Human Resources Offices (OHROs) on the administration of this instruction.
- B. Operating Divisions (OPDIVs) are responsible for:
1. Developing and implementing supplemental policies and procedures tailored to local requirements for the administration of this Instruction;
 2. Identifying all occupations and/or positions that require or may benefit from professional accreditation, licenses, certifications, and examinations in collaboration with the servicing OHRO;
 3. Submitting approved requests to their OHRO for certification before payment;
 4. Maintaining documentation on each request.
- C. OHROs are responsible for:
1. Assisting OPDIVs in identifying occupations and/or positions that require or may benefit from professional accreditation, licenses, certifications, and examinations;
 2. Verifying that employees are serving under covered appointments and providing certification for payment in accordance with OPDIV policy;
 3. Advising OPDIVs on the administration of this instruction.
- D. Supervisors and Managers are responsible for:
1. Providing information and assistance to employees on requests for reimbursement of professional credential expenses;
 2. Consulting with the OHROs on issues related to employee requests for reimbursement of professional credential expenses;
 3. Reviewing, denying, recommending approval or approving requests for reimbursement of payment of professional credential expenses fees in a timely manner in accordance with OPDIV established procedures.
- E. Employees are responsible for:
1. Requesting approval for reimbursement of payment for professional credential expenses as soon as possible after such expenses are incurred;

2. Providing all necessary information in a timely manner to the employee's supervisor or manager to facilitate reimbursement of fees, including a completed SF 1164, Claim for Reimbursement for Expenditures on Official Business, and all supporting documentation.

575-2-50 GENERAL POLICY

- A. The payment of professional credentials, licenses, and associated professional fees is not an employee entitlement. Consequently, such fees shall be reviewed and approved in the form of a reimbursement to eligible employees in accordance with this Instruction and OPDIV policies and procedures.
- B. The Department recognizes the importance of recruiting and retaining well-qualified professionals with the requisite credentials and licenses and the continuing need for re-certifications to support the Department's mission.
- C. The professional credential must be issued by an appropriate Federal, state or local authority, or industry recognized professional governing body.
- D. Reimbursement for payment of these expenses must be determined to be in the interest of the Department. An OPDIV may reimburse an employee for expenses associated with obtaining professional credentials that the OPDIV determines are beneficial to carrying out the functions of the employee's position. Expenses associated with obtaining professional credentials that are solely for the benefit of an employee may not be reimbursed.
- E. Reimbursement will be provided for expenses incurred on or after the effective date of this Instruction.
- F. Reimbursement is subject to availability of funding for this purpose and approval of each individual request.
- G. Each OPDIV must identify the types of credentials, professional accreditations, professional licenses, certifications, examinations, and/or associated expenses, including those for continuing professional education, authorized for reimbursement. These should be documented on a pre-approved professional credentials list by an authorized management official(s) and publicized to employees as appropriate.
- H. Each OPDIV should identify the related occupations and/or positions and include this information on the pre-approved professional credentials list.
- I. OPDIVs may establish procedures to authorize expenses to obtain professional credentials in advance of an expense being incurred by an employee. Under such circumstances, an employee may be reimbursed for an incurred expense only following successful completion of a professional credential requirement.
- J. Employees may be excused from duty without charge to leave to take a certification examination if such examination occurs during normal duty hours. However, employees will not be granted compensatory time or overtime if the examination does not occur during normal duty hours (for example, in the evening after duty hours or on the weekend). In addition, employees will not be granted excused absence for time spent in preparation for a certification examination.

575-2-60 PROCEDURES

- A. SF 1164, Claim for Reimbursement for Expenditures on Official Business (Exhibit A) may be used by employees to request reimbursement of expenses to obtain professional credentials. OPDIVs have the flexibility to develop an alternative form for use by employees for this purpose.
- B. To request reimbursement for professional credentials, the employee must complete a SF 1164 or a replacement form developed by the OPDIV, and submit both of the following:
 - 1. Documentation verifying he/she was successful in meeting licensure or certification requirements. The documentation may be in the form of a copy of the official license or certification, or a statement from the governing authority/body on official letterhead attesting to the successful completion of all requirements. An OPDIV will be responsible for reimbursing employees only for the costs associated with successful completion of credentialing requirements. For example, if an employee takes an examination or assessment for professional credentials multiple times before successfully completing the requirements for the credential, the employee may only be reimbursed for the costs associated with the successful attempt.
 - 2. Documentation of payment which may include a credit card payment statement, cash receipt, or canceled check for the cost of credentialing. If a check is used as the paid receipt, copies of both sides of the canceled check are required.
- C. The entire package must be routed through the appropriate supervisor(s) who normally provides intermediate approval and/or a recommendation for approval of similar requests within the employee's supervisory channels.
- D. OPDIV officials should consult with the OHRO when it is unclear that an employee, the particular credential, or other claimed expenses associated with a request qualify for reimbursement.
- E. The completed package must be routed to the OHRO for review and coordination of final approval. The OHRO shall verify that the employee is serving under a covered appointment and provide certification for payment to the appropriate official for reimbursement in accordance with OPDIV policy.
- F. Authorization for reimbursement will generally be based on the pre-approved professional credentials list of covered of occupations created by the OPDIV.
- G. If the employee's request is disapproved by the OPDIV, the employee must be given a written statement of the reason(s) for the disapproval or disallowance, and notice of the right to request reconsideration to the appropriate OPDIV official within 15 calendar days of receipt of the denial. As examples, a request may be disapproved because the employee is serving under an appointment that is excluded from eligibility under this Instruction, the request may be for costs associated with a professional credential that is not covered by the OPDIV plan, or the request may include costs that are not directly associated with obtaining an approved professional credential.

575-2-70 DOCUMENTATION AND ACCOUNTABILITY

A. Documentation

Each OPDIV is required to ensure that the reimbursement of professional credentials is properly approved, recorded, and documented.

B. Accountability

The OHR, OHRO, and OPDIV will conduct such oversight activities as required to ensure that reimbursement of professional credential expenses are administered in accordance with law, regulations and HHS policy and procedures.

