UNITED STATES DEPARTMENT OF EDUCATION
Office of Special Education and Rehabilitative Services
Rehabilitation Services Administration

Prohibited Use of Federal Grant Funds for Lobbying and
Allowable Membership Costs

This Grant Award Notification (GAN) attachment provides clarity to grantees regarding existing requirements under the law and regulations.

Applicable Programs:

- State Vocational Rehabilitation Services (Assistance Listing Number (ALN) 84.126A)
- Client Assistance Program (ALN 84.161A)
- Protection and Advocacy of Individual Rights (ALN 84.240A)
- State Supported Employment Services (SE-A) (ALN 84.187A)
- State Supported Employment Services (SE-B) (ALN 84.187B)
- Independent Living Services for Older Individuals Who are Blind (ALN 84.177B)

Requirements and Background:

Section 1352 of Title 31 of the United States Code prohibits recipients of Federal grants, loans, or cooperative agreements from using Federally appropriated funds to pay any person for influencing or attempting to influence any officer or employee of an agency, a Member of Congress, or congressional staff in connection with the awarding, extension, continuation, renewal, amendment, or modification of a Federal grant. This prohibition applies to both direct lobbying by the recipient and indirect support through payments to third parties.

In addition, under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as the Uniform Guidance), lobbying costs are unallowable charges to a Federal award. Specifically, 2 C.F.R. § 200.450 prohibits the use of grant funds for lobbying activities, including influencing activities associated with obtaining grants or attempting to influence, either directly or indirectly, an employee or officer of the executive branch of the Federal Government to give consideration or to act regarding a Federal award or a regulatory matter.

Further, 2 C.F.R. § 200.450(c) applies additional restrictions to nonprofit organizations and institutions of higher education (IHEs). Those additional restrictions include prohibiting any costs associated with attempting to influence Federal or State legislation, establishing, administering, contributing to any organization to influence the outcomes of elections in the United States, or engaging in legislative liaison activities.

Grantee Responsibilities:

Grantees must ensure that the use of Federal funds complies with applicable Federal statutes and regulations. This includes:

- Ensuring no Federal grant dollars are used directly or indirectly to pay for lobbying efforts;
- A presumption that membership fee amounts tied to a percentage of a Federal grant are unallowable;
- Maintaining adequate documentation to demonstrate compliance to ensure that membership fees are not used on lobbying and are reasonable and necessary; and
- Avoiding payment of dues to organizations that cannot or do not report the proportion of their activities that are dedicated to lobbying.

Although membership in certain organizations may be allowable in limited circumstances, Federal grant funds may not be used to subsidize any portion of dues that support legislative advocacy or lobbying. Grantees are responsible for requesting appropriate breakdowns of dues and ensuring compliance with 31 U.S.C. § 1352, 2 C.F.R. §§ 200.454 and 200.450, and all other applicable laws related to lobbying.

Failure to comply with these provisions may result in disallowed costs, audit findings, program reviews, and additional oversight or enforcement actions by the Department up to the termination of the grant. Additionally, violations may lead to civil penalties, including fines and the potential suspension or debarment of grantees or individuals. Grantees should consult with their legal and compliance teams to review current expenditures and ensure they align with these existing Federal requirements.