

Utilizing an Off-Site Facility

The decision to utilize an off-site facility should be based on whether it is the most appropriate, convenient, and cost-effective private fitness facility available in the geographic area. Off-site facilities need to provide appropriate preventive health program services and activities, including:

- Health risk screening and fitness evaluation;
- Cardiovascular endurance equipment and activities;
- Muscular strength and endurance equipment and activities;
- Flexibility equipment and activities;
- Equipment orientation;
- Exercise plans; and
- Precautions to minimize the risk of injury.

Prior to exercising their authority to purchase access to private health and fitness facilities, the agency must:

- Ensure the private fitness facility meets agency Health Services Program objectives and can be monitored as part of their Preventive Health Program;
- Determine that the private facility is more cost-effective than providing an on-site fitness facility;
- Investigate the possibility of coordinating with other federal agencies in the area to provide a multi-agency operated fitness facility; and
- Consider other possible resources (e.g., other federal fitness facilities) or lower cost facilities (e.g., community centers, universities) and make the determination that they are either unavailable or inappropriate.

Purchasing memberships

Once the decision has been made to contract with a private fitness facility, the agency must follow government procurement guidelines. Basic membership package options will be selected, avoiding deluxe options that include spa activities or recreational programs. These deluxe options do not contribute to preventive health programs. Memberships must be purchased in the name of the agency, not in the name of the individual employee. The number of memberships purchased will be determined by cost and need. It will be important to set up a monitoring system to verify the adherence to contract by the private facility as well as the employees' use of memberships. If an employee does not utilize the membership, privileges will be revoked and the

membership applied to another employee. Employees will agree to a number of facility visits per month. Allowances for approved absence due to such things as vacation or illness are appropriate.

Health club memberships provided to employees might be considered a taxable fringe benefit in some instances. For further clarification, check with the Office of General Counsel or with the Internal Revenue Service, Office of the Chief Counsel, Tax Exempt and Government Entities Employment Tax Branch.

An agency may elect to use employee contributions to establish a new program and facilities. These contributions can be a significant source of revenue to maintain existing programs and facilities. In addition, they can help ensure employees' commitment to regular participation. Agencies may collect fees directly from employees under specified conditions, or have a third party, such as employee organizations or contractors take on this duty.

In general, fees collected from employees by a federal agency are deposited into miscellaneous receipts of the U.S. Treasury, the exception being those agencies that have statutory authority otherwise (31 U.S.C. §3302). Ordinarily these fees may not be used to directly reimburse the costs of the health facilities or programs.

Contractors who provide physical fitness programs may collect employee fees directly or make arrangements with an employee organization to collect the fees. In some instances, contractors will arrange to split costs between the agency and employees. This would be a contractual arrangement where the agency would pay a predetermined portion, and the contractor would collect a fee from the employee to cover the remaining cost.

If the fitness facility is managed by an employee organization (such as a non-profit employee board or a recreation association) it can charge the employee directly. An employee organization that manages the fitness facility via a contractor or its own staff can charge employees a membership fee to cover operating costs. In this case, the agency may collect employee fees through payroll deduction on behalf of the employee organization (5 U.S.C. §5525). More information is available online at <http://www.opm.gov/insure/flexible/reference/>. Choose fedflex plan document.pdf.

If the fitness facility is located in GSA space, the agency pays for the use of the space and utilities such as electricity. The agency may collect fees directly from employees to reimburse the agency's appropriated fund established for the cost of space and utilities (40 U.S.C. §490(k)). Other costs typically associated with physical fitness facilities, such as staff and equipment, are not directly reimbursable under this authority. Take into consideration the impact that a fee would have on participation rates. The cost to the employee should be reasonable for all employees and not limit or prohibit participation of employees at lower income levels.

