



UTAH VALLEY UNIVERSITY

Policies and Procedures

POLICY TITLE	Appropriateness of Expenditures	Policy Number	204
Section	Financial Affairs and Development	Approval Date	June 20, 2013
Subsection	General Financial Policies	Effective Date	June 20, 2013
Responsible Office	Office of the Vice President for Finance and Administration		

1.0 PURPOSE

1.1 The purpose of this policy is to delineate appropriate and inappropriate expenditures and empower managers to make good spending decisions and be responsible stewards of University funds.

2.0 REFERENCES

- 2.1 Utah Code Annotated 63B-1b-101, et seq.
- 2.2 UVU Policy 201 *General Fiscal Policies and Procedures*
- 2.3 UVU Policy 251 *Traveling on University Business*
- 2.4 UVU Policy 252 *International Travel for Students, Faculty, and Staff*
- 2.5 UVU Policy 241 *University Procurement*
- 2.6 UVU Policy 242 *Solicitation and Award of Procurement Contracts*
- 2.7 UVU Policy 243 *Small Purchases*
- 2.8 UVU Policy 244 *Requisitions and Purchase Orders*
- 2.9 UVU Policy 245 *Receiving Goods and Services*
- 2.10 UVU Policy 330 *Uniform Policy*
- 2.11 UVU Policy 602 *Student-Athlete Travel and Attendance*
- 2.12 *Procurement Services Operating Procedures and Guidelines*



UTAH VALLEY UNIVERSITY Policies and Procedures

3.0 DEFINITIONS

3.1 Agency funds: Funds of non-university organizations or groups where the University is only the custodian of such funds.

3.2 Auxiliary funds: Funds designated by the Regents as auxiliary funds of the University; for example, Bookstore, Dining Services, and Student Center.

3.3 Foundation funds: Agency funds controlled by the Utah Valley University Foundation, Inc.

3.4 Institutional Investment Income (III) funds: Funds generated from the investment of university funds in bank accounts, excludes Foundation Funds.

3.5 State appropriated funds: Funds appropriated by the Utah State Legislature including, but not limited to, state tax funds and tuition and applicable fees (for example, application fees, graduation fees).

3.6 Student fee funds: Funds collected as "General Fees" along with tuition and approved by the Board of Regents for student activities, events, and facilities.

3.7 University funds: Any and all funds processed through the University financial system and are included in the University's financial statements, including agency, auxiliary, Foundation, III, and state-appropriated funds.

4.0 POLICY

4.1 As a Utah state institution of higher education, Utah Valley University must ensure that all university funds are used only to support appropriate university business. When the expenditure is funded by a grant or contract, the use of such funds will be governed by the most restrictive conditions of the grant, contract, or university policy. The following standards shall guide all university expenditures:

4.1.1 Each school, department, unit, and approving official must exercise prudent judgment to ensure that the commitment of funds is appropriate and justified for university operations.

4.1.2 All expenditures must be for university purpose and not of a personal nature.

4.1.3 Expenditures for compensation as defined by IRS code and/or Utah Code Annotated are covered and should adhere to UVU compensation policies.

4.1.4 Agency Funds expenditures by non-university organizations and component units will be in accordance to university policy, procedures, and practices.



UTAH VALLEY UNIVERSITY Policies and Procedures

4.2 Not all allowable expenses are appropriate use of university funds and require specific approvals. The approval required may vary depending on the expenditure. See section 5.0.

5.0 PROCEDURE

5.1 Required Approvals

5.1.1 The procedure for required approvals of expenditures is as follows:

- 1) Responsible parties, or their designee, will approve all requisitions for any amount tied to their index codes.
- 2) Vice presidents will approve (a) all requisitions for \$25,000 and above and (b) all requisitions for a membership, floral, clothing, or awards commodity assigned.
- 3) The President will approve (a) all requisitions for \$100,000 and above and (b) all requisitions with a membership, floral, clothing, or awards commodity from his personal staff.
- 4) The President will review all requisitions from \$150,000 to \$499,999 with President's Council prior to approval.
- 5) The President shall obtain Board of Trustees' approval for all requisitions for \$500,000 and above.
- 6) The events center may issue settlement checks to sponsors or entertainers provided auditable documentation is available and kept on file.
- 7) Any expense reimbursement to an employee must have a second-level supervisor's approval.
- 8) Please see sections 5.2 through section 5.35 for additional approvals and conditions, if required.

5.1.2 The detailed procedures for processing appropriate expenditures as defined in this policy are found in other UVU policies and procedures as follows:

- 1) Any expenditure external to UVU must be purchased in accordance with UVU Policy 241 *University Procurement*; UVU Policy 242 *Solicitation and Award of Procurement Contracts*; UVU Policy 243 *Small Purchases*; and UVU Policy 244 *Requisitions and Purchase Orders*.
- 2) Retainment and payment of non-university employees with specialized expertise are covered in UVU Policy 209 *Contracting with Non-college Employees*.



UTAH VALLEY UNIVERSITY Policies and Procedures

3) Reimbursement for Travel is covered in UVU Policy 251 *Traveling on University Business*, Policy 252 *International Travel for Students, Faculty, and Staff*, and UVU Policy 602 *Student-Athlete Travel and Attendance*; and guidelines on the Business Office Web site.

4) Gifts, prizes, and awards that are taxable for employees must be reported by using these procedures and by using a *Payroll Action Form (PAF)* according to Human Resources/Payroll departmental procedures. (See UVU Policy 211 *Employee Appreciation and Recognition (Gifts and Rewards)*.)

5.1.3 Any exception to this policy and procedure requires second-level and the appropriate vice president's approval with a written explanation stating the reason why policy/procedure was not followed and justification for an exception to policy/procedure.

5.2 Purchase of Alcoholic Beverages

5.2.1 Serving of alcoholic beverages for events on campus or at campus facilities is not permitted.

5.2.2 Vice presidents may authorize employees to use available Foundation Funds or III Funds, if available, for the purchase and reimbursement for alcoholic beverages required to promote the University at events external to the campus. Utah state laws specifically prohibit the use of state appropriated funds for the purchase of alcoholic beverages.

5.3 Purchase of Appliances

5.3.1 Microwave ovens and refrigerators for departmental use are an appropriate expenditure.

5.3.2 Fans and ceramic space heaters are an appropriate expenditure.

5.3.3 Hot plates and stoves are not appropriate departmental expenditures except for Dining Services and other appropriate departments/locations where food is served as a part of doing business (for example, the events center, Culinary Arts, Wee Care programs, Teacher Education Preschool).

5.3.4 Appliances that are used in, or in support of, educational and research programs are appropriate expenditures; for example, autoclaves or ice machines (see also section 5.11).

5.4 Rental of Caps and Gowns

5.4.1 Rental of caps and gowns for university faculty/staff who participate in a university commencement ceremony is an appropriate expense.

5.5 Charge Cards (Corporate)



UTAH VALLEY UNIVERSITY Policies and Procedures

5.5.1 Corporate charge cards and related annual fees, delinquency assessments, and penalties are considered personal charges and are not reimbursable regardless of the fund source.

5.5.2 For group travel, UVU will allow payments of annual fees on corporate cards as authorized by Procurement Services and the appropriate vice president when the charge card is the most effective way to pay for group travel (for example, athletics, study abroad, etc.).

5.6 Child Care Expenses

5.6.1 Child care expenses are considered personal expenses and are not reimbursable.

5.7 Clothing

5.7.1 Personal laundry/dry cleaning is considered a personal expense and not reimbursable.

5.7.2 Laundry/dry cleaning of team uniforms or costumes is an appropriate expense.

5.7.3 Personal clothing is considered a personal expense and reimbursement is not appropriate.

5.7.4 Standardized uniforms required for work assignments are an appropriate expenditure and require a vice president approval (see UVU Policy 330 *Uniforms*).

5.7.5 Clothing and apparel provided to promote university student recruiting programs, marketing, and promotional events, and related to university business (for example, Bookstore, Dining Service, Perspective Student Services, etc.) is an appropriate expenditure and requires a vice president approval.

5.8 Donations to Charitable and Non-Charitable Organizations

5.8.1 Donations of university funds to charitable and non-charitable organizations for or on behalf of employees, non-employees, and former employees are not appropriate expenses, regardless of fund source. UVU sponsorship of or marketing with charitable and non-charitable organizations is appropriate with the appropriate vice president's approval. Student clubs are exempt from section 5.8.1. (See also section 5.14, "Charitable Events/University Functions.")

5.9 Emolument, Gratuity, Contribution, Loan, or Reward for Expenditure

5.9.1 Expenditures of University funds by its employees related to a promise to provide or in receipt of an emolument, gratuity, contribution, loan, or reward, for an employee's own use or benefit or for the use or benefit of any other person or organization is not appropriate and is potentially illegal (see Utah Code Annotated 63g-6a-2304.5, as amended).

5.10 Entertainment



UTAH VALLEY UNIVERSITY Policies and Procedures

5.10.1 Expenditures for entertainment are appropriate as outlined in section 5.13 “Business Meetings and University-Sponsored Events” and section 5.15 “Faculty and Staff Events.”

5.11 Equipment

5.11.1 Equipment purchases for academic and university purposes are an appropriate use of funds when justified to meet the instructional and business operations of the University. Purchasers need to conform to UVU Policy 203 *Purchasing*.

5.12 Flowers

5.12.1 Flowers are defined as bouquets, planters, floral arrangements, and include balloons, cookies, and stuffed animals. Appropriate events for flowers should be coordinated with University Marketing and Communications except as noted below. Flowers are appropriate under the following conditions with approval from the appropriate vice president:

- 1) Bereavement flowers due to employee death, the death of the employee's spouse, parent, or employee's child.
- 2) Bereavement flowers are appropriate for the death of a student. The flower purchases should be coordinated with the Vice President of Student Affairs or designee to minimize multiple purchases by various university departments, offices, and organizational units.
- 3) Bereavement flowers are appropriate for the death of a donor, trustee, board member, or their spouses. The flower purchases should be coordinated with the Vice President for University Advancement or designee to minimize multiple purchases by various university departments, offices, and units.
- 4) Flowers for hospitalization of employees, board members, and donors.
- 5) Flowers for receptions and convocations (for example, graduation) where they pertain to university business.
- 6) Flowers for university-sponsored events/functions (for example, foundation fundraisers, donor events, university donor development, government relations, university marketing, etc.) are appropriate from Foundation Funds and III Funds to foster university relations.
- 7) Flower expenditures for office use, personal office/work areas, holidays, non-university business, and other special occasions (for example, weddings, baby showers, Secretary’s Day, Valentine’s Day, Bosses’ Day) are considered personal expense items and are not an appropriate use of funds.
- 8) Flowers are appropriate expenditures when purchased by auxiliaries for resale.



UTAH VALLEY UNIVERSITY Policies and Procedures

5.13 Business Meetings and University-Sponsored Events

5.13.1 University business meetings and university-sponsored employee events (including employee achievement awards programs, student academic/athletic awards programs, and faculty/staff academic awards programs) where food or meals are provided in the course of doing business is an appropriate use of funds under the following conditions:

- 1) Limited to appropriate university faculty and staff for a university business meeting or university-sponsored event and must be approved prior to the event by a second-level supervisor;
- 2) Light refreshments for staff meetings;
- 3) University recognition/awards/academic programs must be approved by the dean or director, his or her designee, and account manager;
- 4) Cost for honoree or student and his or her guest is authorized;
- 5) Attendance by other guests of university faculty and staff will be at their own expenses, unless invitation is extended to the spouse or guest;
- 6) Cost associated with the event/function should be reasonable.

5.13.2 If events are held on-campus at a location other than the events center, Dining Services shall be used for catering.

5.14 Charitable Events/University Functions

5.14.1 Charitable events participation such as University and Foundation fundraisers may be approved by a vice president or his or her designee if it is one of the major marketing/fundraiser sponsorships of the University as designated by the President: for example, Scholarship Ball, Alumni Golf Tournament, Wolverine Golf Tournament (see section 5.13.1).

5.14.2 Entertainment/hosting events where business meals, light refreshments, and entertainment are purchased or provided for donors and other non-university employees are appropriate under the following conditions from university funds:

- 1) If guests are hosted as a result of their services or contributions or their probable services or contribution to the University; and/or
- 2) If the activities contribute to, or result from, a university-related business activity.

5.15 Faculty and Staff Events



UTAH VALLEY UNIVERSITY Policies and Procedures

5.15.1 Because the University recognizes the benefits of events where employee morale is strengthened, the cost of one faculty or staff social per year per organizational unit may be paid from university funds as approved by the appropriate vice president. Such costs may include rentals, food, entertainment, and decorations.

5.15.2 Expenditures associated with university-wide employee functions or events held by the President and/or vice presidents (for example, faculty/staff receptions, faculty/staff appreciation and employee service award programs, holiday socials) are considered appropriate use of funds.

5.16 Receptions and Locations, Other

5.16.1 Other receptions such as baby showers, wedding showers, birthday parties, or similar types of activities are not related to university business. These expenditures are considered to be of a personal nature and are not reimbursable.

5.16.2 Refreshments and other low-cost food items are not appropriate expenses for large meeting room, reception, or waiting areas without a specific university business purpose.

5.16.3 Refreshments or stocking faculty/staff break areas is not an appropriate use of funds.

5.17 Recruitment

5.17.1 See section 5.14.2.

5.18 Retirement and Going-away Receptions

5.18.1 Retirement and going-away receptions may be held for an employee leaving the University and are an appropriate expenditure. On-campus direct charges will be limited to hors d'oeuvres, rolls, or other low-cost food and non-alcoholic beverages.

5.18.2 Going-away receptions, parties, luncheons, or dinners held for employees transferring to another college, department, or unit within the University are not considered an appropriate use of funds, regardless of the fund source.

5.19 Student Events

5.19.1 Student Life entertainment events to benefit UVU students and community members are to be paid for out of student fees.

5.19.2 Reasonable food/candy purchases to be used for welcoming, marketing, or recruiting purposes must have dean's, associate vice president's, or assistant vice president's approval.

5.20 Gasoline/Fuel



UTAH VALLEY UNIVERSITY Policies and Procedures

5.20.1 Gasoline/fuel expenses for private vehicles are included in the mileage reimbursement when vehicle is used for university business and are not appropriate reimbursable expenses. These expenses are to be submitted on a *Travel Reimbursement Form*.

5.20.2 Fleet cars (university vehicles) should be fueled using Gascard. If unable to find a Gascard dealer, the driver may purchase fuel and be reimbursed.

5.20.3 Fuel may be purchased for rental cars and is appropriate reimbursement. If used for travel, the fuel should be claimed with travel expenses.

5.21 Gifts, Prizes, and Awards

5.21.1 Gifts, prizes, and awards are subject to state and federal limitations on process and on taxability.

5.21.1.1 Internal Revenue Service (IRS) Rules and Regulations stipulate for employees that any gift of cash, a gift certificate, or cash equivalent, such as an item which is easily converted to cash, must be included in the recipient's gross income since it is essentially extra salary or wages, regardless of the amount involved. Cash, no matter how little, is always included in the recipient's gross income and must be processed through the payroll process for employees.

5.21.1.2 Internal Revenue Service (IRS) Rules and Regulations stipulate that a restricted and non-negotiable gift certificate is distinguishable from a cash equivalent gift certificate when it can only be redeemed with the issuer and cannot be cashed out, sold to another person, or used to reduce an outstanding account balance with the issuer of the certificate (for example, certificate for admission to an event or one for the specific product such as a hat or t-shirt). If the restricted or non-negotiable gift is under \$75, the gift does not have to be reported in gross income. If the restricted or non-negotiable gift is \$75 or more, the value of the gift must be reported to the Business Office to include in the gross income for the employee.

5.21.1.3 For non-employees, Internal Revenue Service (IRS) Rules and Regulations stipulate that if the total value of the gifts, prize, or award is \$600 or more paid in any taxable year, the University must report the value on Form 1099 or 1099 MISC. The following information must be reported to the Business Office via memorandum, e-mail, or completion of Form W-9 "Request for Taxpayer Identification Number and Certification" within 10 working days after the presentation of the institution representative if a gift, prize, or award is presented to a non-employee:

1) Name; social security number; home address (including city, state, and zip code); employment relationship with the University (for example, employee, non-employee).

2) Description of gift, prize, or award; value (fair market value) of the gift, prize, or award.



UTAH VALLEY UNIVERSITY Policies and Procedures

3) Department contact's name and phone number, university, school, department, or organizational unit is required to provide written notice to the recipient that the value of the gift, prize, or award may be subject to federal, state, and/or local taxes.

5.21.2 Gifts, other than approved recognition programs, (to include restricted or non-negotiable gift certifications, prizes, and awards) presented to employees by university departments/organizational units are not appropriate, regardless of fund source.

5.21.3 Awards given to employees as part of a university or university-wide recognition program for service and are publicly awarded are appropriate.

5.21.4 Expenditures for gifts, prizes, and awards presented to non-employees must be approved by the vice president or his or her designee and are appropriate use of funds.

5.21.5 All student scholarships, grants, or awards for tuition or tuition waivers should be applied to the student's account through the Financial Aid Office. Any exceptions need to be granted by and through the Financial Aid office. Use of appropriated funds for scholarships, grants, and awards (for example, textbooks) is not appropriate and not to be done. Other awards (for example, UV Experience gift cards) used for student recruitment, orientation, marketing, and promotional events are appropriate from non-appropriated sources (see section 5.7).

5.21.6 Plaques related to university business are appropriate expenditures.

5.22 Holiday Cards

5.22.1 Holiday and other cards (for example, Christmas) may be purchased for an external audience when considered part of the University's development or advancement strategy.

5.22.2 Holiday cards for intra-campus (on-campus) use within the organizational unit are not appropriate expenses from appropriated funds.

5.23 Holiday Decorations

5.23.1 Reasonable holiday decorations used for areas open to the general public are appropriate expenses from university funds as approved by the appropriate vice president (for example, Dining Services, Bookstore, Library, the events center, Institutional Residence, organizational unit reception areas).

5.23.2 University expenditures for holiday decorations in personal offices, work areas, etc., that are not normally open to the general public are considered not appropriate.

5.24 Laundry and Dry Cleaning

5.24.1 See section 5.7.



UTAH VALLEY UNIVERSITY Policies and Procedures

5.25 Loans

5.25.1 Loans to university employees and organizations administered by the University or school are not considered appropriate, regardless of the fund source.

5.25.2 Loans to students are appropriate only when issued through the department of Financial Aid and Scholarships.

5.26 Magazine Subscriptions and Publications

5.26.1 Personal subscriptions to magazines, trade journal, and reading materials that are not related to university business are considered personal in nature and are not reimbursable, regardless of fund source.

5.26.2 Subscriptions for departments for magazines, trade journals, and reading materials are an appropriate expenditure.

5.27 Memberships

5.27.1 Memberships in professional/service organizations related to university business are appropriate from university funds and must be approved by the appropriate vice president, associate vice president, dean, or assistant vice president and must include a written justification.

5.27.2 Membership and country club dues (for example, golf, tennis, airline clubs, and others) in nonprofessional organizations must be related to university business and are appropriate from Foundation, student fees, or III funds, if available, and must be reviewed by the appropriate vice president and approved by the President.

5.28 Political Contributions

5.28.1 Political contributions are illegal from appropriated funds and not reimbursable.

5.29 Printing

5.29.1 University organizational units should secure their copying/printing needs from university-owned copying and printing equipment.

5.29.2 All copying/printing from external vendors over \$500 must be coordinated with Printing Services.

5.30 Recruiting for Faculty/Staff

5.30.1 Hosting for faculty and staff recruitment is allowed when approved by the appropriate dean or director according to the following guidelines:



UTAH VALLEY UNIVERSITY Policies and Procedures

- 1) Cost associated with the travel costs and meals should be reasonable.
- 2) Purpose of meal must be documented along with those who attended.
- 3) Recruitment travel, lodging, and meals are reimbursed according to travel policies and procedures.

5.31 Tickets

5.31.1 Theater, golf, tickets, etc., to non-university sponsored events, function, or other personal amusements are considered personal expenses and are not reimbursable unless it is a bona fide university business purpose and approved by the appropriate vice president or his or her designee.

5.32 Travel

5.32.1 Reimbursement between home and the University is not an allowable expenditure.

5.32.2 UVU business travel between UVU campuses is a reimbursable expenditure.

5.32.3 Allowable reimbursement of in-state and out-of-state travel, please see UVU Policy 251 *Traveling on University Business*, UVU Policy 252 *International Travel for Students, Faculty, and Staff*, UVU Policy 602 *Student-Athlete Travel and Attendance*, and guidelines on the Finance and Business Services Web site.

5.32.4 Entertainment expenses (for example, airline headsets, movies, sporting events) for the employee while traveling are considered personal expenditures and are not reimbursable.

5.32.5 Expenses related to vacation or personal days taken before, during, or after an official university business trip are considered to be personal and not appropriate for reimbursement, regardless of fund source.

5.33 Vehicles

5.33.1 Purchase of campus vehicles must be coordinated through UVU Fleet Operations and must be approved by the Vice President of Finance and Administration.

5.33.2 Personal vehicle towing, traffic/parking tickets, and other related expenses are not reimbursable regardless of the fund source.

5.33.3 Towing and traffic/parking tickets while driving a university vehicle shall be paid by the driver and are not reimbursable.



UTAH VALLEY UNIVERSITY

Policies and Procedures

5.33.4 Direct charge to departments for motor vehicle tickets and fines assessed to university-owned vehicles may be appropriate from university funds only if they cannot identify or collect from the person who was driving the vehicle when the violation occurred and must be authorized by a vice president.

5.33.5 Repairs, maintenance, or insurance on personal cars used for university business is included in the mileage reimbursement and are not reimbursable regardless of fund source.

POLICY HISTORY		
June 20, 2013	Policy approved.	UVU Board of Trustees
July 5, 2017	Non-substantive changes: <ul style="list-style-type: none"> • Updated Policy 206 to new number and title: Policy 251 <i>Traveling on University Business</i>. • Updated Policy 608 to new number and title: Policy 252 <i>International Travel for Students, Faculty, and Staff</i>. • Corrected numbering in section 5.20, in which numbering skipped to 5.23. 	Policy Office