



## UTAH VALLEY UNIVERSITY

### Policies and Procedures

|                           |   |                       |                |
|---------------------------|---|-----------------------|----------------|
| <b>POLICY TITLE</b>       | Appropriateness of Expenditures                             | <b>Policy Number</b>  | 204            |
| <b>Section</b>            | Financial Affairs and Development                           | <b>Approval Date</b>  | March 27, 2019 |
| <b>Subsection</b>         | General Financial Policies                                  | <b>Effective Date</b> | March 27, 2019 |
| <b>Responsible Office</b> | Office of the Vice President for Finance and Administration |                       |                |

#### 1.0 PURPOSE

1.1 The purpose of this policy is to define the responsibilities over expenditures and empower managers to make good spending decisions and be responsible stewards of university funds.

#### 2.0 REFERENCES

- 2.1 *Construction, Alteration, and Repair of State Facilities*, Utah Code Ann. § 63A-5-206 (2017)
- 2.2 *Utah Procurement Code*, Utah Code Ann. § 63G-6a-101 (2012)
- 2.3 *Utah Public Officers' and Employees' Ethics Act*, § 67-16-1 (1989)
- 2.4 *Offenses Against the Administration of Government*, Utah Code Ann. § 76-8-401 (2013)
- 2.5 Utah State Board of Regents' Policy R571 *Purchasing*
- 2.6 UVU Policy 114 *Conflict of Interest*
- 2.7 UVU Policy 201 *General Fiscal Policies and Procedures*
- 2.8 UVU Policy 241 *University Procurement*
- 2.9 UVU Policy 242 *Solicitation and Award of Procurement Contracts*
- 2.10 UVU Policy 243 *Small Purchases*
- 2.11 UVU Policy 244 *Requisitions and Purchase Orders*
- 2.12 UVU Policy 245 *Receiving Goods and Services*



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### 3.0 DEFINITIONS

**3.1 Executive:** The administrative positions of university president, senior vice president, vice president, associate vice president, assistant vice president, dean, general counsel, chief of staff, and other identified chief executive officers are designated as executive positions at Utah Valley University. Each executive position oversees a major functional area with institution-wide scope/impact or a major academic division and has duties and responsibilities in carrying out the mission of the institution, its management, and general business/academic operations. Executives report to the University President or to a vice president (no more than two reporting levels from the University President) and serve on the President's Executive Leadership Council.

**3.2 Executive approval:** Approval from the first upline executive to the index in the financial organization structure.

**3.3 Index:** Identifying number within the university enterprise accounting system that indicates a specific department of the University for which funds are budgeted or allocated.

**3.4 Responsible Party:** The employee assigned financial oversight and management for a specific index within the University's enterprise accounting system.

### 4.0 POLICY

#### 4.1 Scope of Policy

**4.1.1** This policy defines standards and requirements relating to the expenditure of university funds. All university colleges, departments, units, and all persons employed part-time or full-time by Utah Valley University, including faculty, staff, executives, and student employees, shall comply with all applicable laws, government regulations, and these standards and requirements. In addition, all university employees must comply with the current university guidelines for appropriate expenditures, which can be accessed at the Policy Office website. Failure to comply with this policy and associated guidelines may lead to discipline, up to and including termination.

**4.1.2** As a public institution, the University is committed to transparency in the use of funds entrusted to it, and is accountable to numerous constituents for the appropriate and prudent use of funds from various sources. This policy cannot anticipate every situation that might give rise to legitimate business expenses; in some cases, reasonable and necessary expenses incurred may require additional documentation, explanation, or a higher level of authorization. In the event an expense is not specifically covered by this policy or applicable federal laws and governmental regulations, state laws, and university guidelines, employees shall consult with Finance and Business Services.



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### 4.2 Expenditures

**4.2.1** All expenditures must have a legitimate business purpose, must be appropriate for the circumstance, and must comply with applicable federal laws, state laws, governmental regulations, university policy, and university guidelines.

**4.2.2** All expenditures must obtain proper second-level supervisor, executive, or presidential approval as prescribed by university policy and university guidelines.

**4.2.3** Executive approval shall not be delegated.

**4.2.4** All expenditures shall be made in accordance with campus standards (i.e., furniture, computers, and so forth) established by the appropriate departments. As applicable, employees should consult with the appropriate department prior to any commitment to purchase.

**4.2.5** Expenditures funded by a grant or contract will be governed by the most restrictive conditions of the grant, contract, or university policy.

**4.2.6** Exceptions to this policy or associated procedures and guidelines are allowed only for expenditures under \$100,000 with appropriate vice presidential approval, and must include a written explanation explaining the reason why the policy or associated procedures and guidelines were not followed and justification for the exception. No such exception may be made for expenditures \$100,000 and over.

### 4.3 Responsible Party

**4.3.1** Each responsible party and those who approve expenditures must exercise prudent judgment to ensure that the commitment of funds is appropriate, business related, and reasonable. An expenditure is considered:

**4.3.1.1** Appropriate if its purpose supports the mission of the University and direct payment of the expenditure is not otherwise prohibited by any university policy or associated guidelines.

**4.3.1.2** Business related if it reflects an ordinary and necessary transaction incurred to conduct university business.

**4.3.1.3** Reasonable if the nature of the goods or services required and the amount involved reflect the actions of a prudent person under the circumstances.

**4.3.2** Each responsible party shall obtain the training they require based on their university responsibilities as detailed in university guidelines.

**4.3.3** Each responsible party is accountable for all expenditures associated with their indexes.



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**4.3.4** A responsible party may delegate approval authority, but regardless of who gives the approval, the responsible party is accountable for the expenditures.

**4.3.5** Each responsible party is required to obtain proper second-level supervisor, executive, or presidential approval for all expenditures as prescribed by university policy and university guidelines.

| POLICY HISTORY |  |                       |
|----------------|--|-----------------------|
| June 20, 2013  | Policy approved.   | UVU Board of Trustees |
| July 5, 2017   | Non-substantive changes: <ul style="list-style-type: none"><li>• Updated Policy 206 to new number and title: Policy 251 <i>Traveling on University Business</i>.</li><li>• Updated Policy 608 to new number and title: Policy 252 <i>International Travel for Students, Faculty, and Staff</i>.</li><li>• Corrected numbering in section 5.20, in which numbering skipped to 5.23.</li></ul> | Policy Office         |
| March 25, 2019 | Revised policy approved.   | UVU Board of Trustees |