



AUGUSTA UNIVERSITY FOUNDATION

RESTRICTED EXPENDITURE CONTROL POLICY

General Policy Statement Regarding Expenditure of Foundation Funds

The Augusta University Foundation (AUF) exists in order to support Augusta University (AU) in its academic, research, and patient care missions.

The following general principles apply to judging the appropriateness of restricted expendable disbursements:

- All expenses on behalf of AU should be paid from state appropriations when possible.
- All expenses must be both reasonable in amount and necessary to support the mission of AU.
- Anyone requesting reimbursement from restricted expendable funds should consider that funds will come from donor-provided dollars and that all expense requests are subject to public scrutiny. Documentation must make it clear that the expense is reasonable and related to AU business.
- Payment requests must be approved by an authorized AU employee. Requests for personal reimbursement from the authorized signer must be approved by the payee's supervisor. Requests for personal reimbursement from the President shall be reviewed by the Executive Committee.
- The AUF Executive Committee will adopt specific rules applicable to expenses for travel, entertainment, meals, lodging, and other expenses; however, primary reliance will be placed upon the sound discretion and judgment of AU officials regarding expenses for which reimbursement is sought considering the principles set forth herein.

General Expenditure Procedures

To comply with the Internal Revenue Service (IRS) Code and its Articles of Incorporation, the AUF and any individual funds therein must be organized and operated exclusively for the benefit of AU with no part of its net earnings benefiting any private individual.

The AUF Accountant's office is responsible for ensuring that all required supporting documents have been presented, that the appropriate funds are available for such payments, and that the obligations are paid on a timely basis.

Invoices and receiving reports must be promptly submitted as supporting documentation with the disbursement request. Copies of invoices, receiving reports, receipts, and other supporting documentation are acceptable. AUF is not exempt from sales tax. All invoices should include applicable sales tax.

Expenditure Guidelines

The table in Appendix A attached provides examples of certain types of expenditures that are frequently considered by AU staff. This list is not meant to be all inclusive and is included herein for clarity purposes only.

Reimbursement of Employees

Payments to AU employees for small miscellaneous purchases or other expenditures, excluding reimbursement for travel, will be made upon the presentation of an approved check request. Requests for reimbursement to an individual must be received by the AUF Accountant's Office within 45 days from

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the date the expense was incurred (receipt date). A paid invoice, detailed and itemized receipt, or a signed statement by the individual (and approved by his/her supervisor), stating the nature and description of the expenditure for which (s)he is requesting reimbursement is required. Payments will be made directly to the employee; no payments will be made to credit card companies on behalf of an individual or an AU employee. Payments to an employee for services rendered, or other taxable events, are made through the appropriate payroll system only.

Travel

In accordance with relevant AU policies, AUF reimburses reasonable and necessary expenses incurred while performing approved official travel away from headquarters and places of residence.

If travel is to be reimbursed using a combination of AU and AUF funds, the *Travel Expense Statement* should show the complete cost of each trip. All expenditures relating to each trip (including airfare) must be included, even if reimbursement for the total amount is not being requested. A copy of the AU check request should be included with the AUF check request. If travel is jointly funded with AU, AUF will accept copies of airline tickets and other receipts.

Travel reimbursement beyond that permitted under AU policies may only be made with the approval of the AUF Chair or Treasurer. Exceptions to AU travel reimbursement policies must further the mission of AU, and may include:

1. No maximums for overnight accommodations; therefore, original receipts are required for reimbursement.
2. Reimbursement for meals can be made at either the applicable AU per-diem rate or the actual expense incurred during the travel period. Reimbursements at the per-diem rate cannot be combined with actual costs. Receipts are required for reimbursement of actual costs.

Entertainment (excluding alcoholic beverages)

Meals involving individuals external to AU are authorized for the purpose of conducting business related to AU matters, entertaining and cultivating AU donors, and entertaining significant relationships for AU benefit. The cost of including an employee spouse in entertaining and cultivation activities may be authorized where the attendance of the spouse is necessary to the business purpose. The business purpose must be documented and the names of the persons involved listed on the Foundation Check Request Justification Form.

- Meals for AU personnel only (i.e., not involving individuals external to AU), unless these are scheduled for the purpose of conducting business related to AU matters or as an official AU function, will not be approved.
- AUF funds may not be used to purchase entertainment for personal use. Reimbursement may be made for those tickets purchased for business uses and for which an accounting of use is submitted with the request for reimbursement.
- AUF funds may be used for advocacy events (e.g., legislative dinners) subject to IRS rules.

Special Authorization

The provision of an automobile for combined personal and business (mixed use) by an individual requires specific authorization by the AUF Executive Committee.

The AUF Executive Committee will authorize club dues and membership fees for social organizations (if approved, these may be reimbursed on the same basis as the approximate percentage of business use).

Unauthorized Expenditures and Clarifications

To further clarify the expenditure chart of these policies, following are examples of certain expenditures that are not considered as serving the primary purpose of furthering institutional goals and programs and will not be approved:

- Gifts to University System of Georgia (USG) and AU colleagues.
- Purchase of gifts, flowers, and other gratuities for USG or AU employees.

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- Payments of late charges, fines or penalties.
- Contributions to other organizations not associated with the performance of services to or for an AU program. This does not include the support of community or other non-profit events (e.g. a table purchased at a Chamber of Commerce event.)

AUF funds may be used to pay for the cost of a retirement reception and gift up to the amount of \$400. The receptions should be appropriate and moderate in their use of donors' funds.

AUF will consider special requests for reimbursement of expenses for flowers or memorial donations in memory of retired faculty/staff, current faculty/staff, former and current volunteers, and special AU friends. Each vice president, dean and director should assure the appropriateness of the expenditure and the amount before requesting reimbursement.

Merchandise Inventory

Merchandise purchased with AUF funds for resale or give away must be used for institutional purposes.

Purchase of a Property or Facility

From time to time, AUF may purchase or lease properties and facilities on behalf of AU to support academic programs and other unit goals. The AU President shall present a proposal to the AUF Board that will include the following: feasibility study, business plan and financing plan.

Tax Considerations

Unrelated Business Income Tax

As a 501(c)(3) organization, AUF shall follow all state and federal regulations regarding unrelated business income tax, sales and use, 1099 reporting and taxable fringes (UBIT). As a general rule, the Foundation will not engage in activities which would generate unrelated business income, but may do so with the approval of the Board.

Form W-9 Required

AUF requires a completed form W-9 on file prior to processing a check request for any vendor. A vendor is defined as the payee of a check regardless of the type of an entity or the purpose of the payment. An updated form W-9 must be submitted annually for each vendor.

1099 Reporting

AUF follows IRS guidelines of issuing a Form 1099 to individuals/corporations who receive payment for rents, contract services, honoraria, legal fees, consulting fees, prizes or awards, and other income payments during the course of a calendar year.

Appendix A

	Expenditure	Allowable
1.	Advocacy Events	Yes , subject to IRS limits
2.	Automobile for personal use	Requires Executive Committee approval
3.	Cell Phones/PDA's	Yes
4.	Computers	Yes , must be paid through AU Accounts Payable
5.	Consultants	Yes
6.	Contractors	Yes
7.	Contributions to other Non-AU Affiliated Organizations (excluding support of community or other Non-profit events for advancement purposes)	NO
8.	Costs for athletic or cultural events	Yes , only if business related
9.	Employee Services/Awards	Yes
10.	Employee Travel	Yes , must be paid through AU Employee Travel Office
11.	Employee Uniforms/Branded Apparel	Yes , must be paid through AU Accounts Payable
12.	Equipment - Capital (\$3K+)	Yes
13.	Equipment - Small Value (< \$3K)	Yes
14.	First Class Plane Travel	NO
15.	Flowers, gifts, gratuities to USG and AU Employees	NO , except for special policy outlined requests
16.	Gifts to USG and AU Enterprise Colleagues	NO
17.	Holiday Cards and Postage	NO , except for alumni and donor cultivation
18.	Holiday Celebrations	NO
19.	Honoraria (external)	Yes
20.	In/out funds collected from employees to be used for parties/gifts (ie., true agency)	NO
21.	Internet Service Provider Fees	Yes
22.	- Meals for personnel - Alcohol only for institutional events and meals/events while conducting official business with external constituents	Yes , only if business related
23.	Merchandise for Sale or Giveaway	Yes
24.	Moving Expenses	Yes , if included in written employment offer
25.	Office Refreshments	Yes , only for use by external guests
26.	Professional Licensure	NO
27.	Property/Facilities	Requires Detailed Plan
28.	Receptions	Yes , only if business related
29.	Retirement Reception and Gift	Yes , up to \$400
30.	Scholarships	Yes , must be awarded through AU office of Financial Aid
31.	Social Club Dues/Membership Fees	Requires Executive Committee approval