

Expenditure Policy

PURPOSE

The following policies and procedures for the expenditure of Foundation funds are established for the purpose of:

1. Providing proper documentation and detail of disbursement for audit purposes
2. Maintaining an unquestioned tax exempt status of the WIU Foundation
3. Disbursing funds in accordance with the wishes of the donor
4. Prohibiting the use of funds for the direct personal benefit of faculty and/or staff
5. Obtaining goods and services efficiently and at the most reasonable cost
6. Accounting properly for all assets purchased

General Information. The Foundation is exempt from the Illinois Procurement Code. Foundation Funds may not be used to avoid the bidding process through the University. When using Foundation funds to procure goods and services, campus departments are encouraged to bid through Purchasing to obtain the best pricing.

Payments are processed twice a week, and may be in the form of checks, EFTs or transfers to student accounts. Departments are responsible for allowing sufficient time to process payments which are needed at a particular time. If the vendor is coded on the Accounts Payable file to receive disbursements by EFT, the disbursement will be in the form of an EFT.

Reimbursements to individuals for meals may include sales tax.

Reimbursements to employees must be made in less than 60 days from the date of the invoice. Any expenditure which is allowed under Foundation policy may also be charged to University P-Cards. The University is responsible for issuing cards, scanning invoices/receipts and revoking cards.

Types of Expenditures:

1. **Scholarships and Awards.** Scholarships and awards are given for academic achievement, financial need, or special student effort. The Foundation Scholarship Program is administered by the Office of the Director of University Scholarship Activities.

The following special processing requirements apply only to scholarships and awards: If the student is coded on the Accounts Payable file to receive disbursements by EFT, a check cannot be written. If the college/department wants to present a check and the

student receives an EFT, the college/department should give the student a certificate. Students must sign upon receipt of disbursements by check or have an "Authorization to mail" on file. Scholarship recipients must be students at WIU. Scholarship funds cannot be disbursed to third parties.

2. ***Research and Creative Writing Grants.*** Research grants are awarded when funds are available from gifts designated for this purpose. Summer stipends for research are awarded on a competitive basis by the WIU Foundation Board of Directors Screening Committee, and by some of the colleges on a limited basis. Equipment purchased in connection with a stipend becomes property of the University. Works created as a result of a stipend are generally the property of Western Illinois University.
3. ***Salary and Wage Payments.*** Salary and wage payments for employees of the University as a continuation of the employee's normal duties must be processed through the Payroll Office where appropriate deductions are withheld. Funds are transferred from the Foundation to the University to accommodate this process. Other benefits negotiated as part of employment should go through the salary and wage payments process. Those benefits may include, but are not limited to mobile phone stipends and parking permits.

If the service provided is outside the individual's normal duties, a lump sum amount can be paid through the next scheduled payroll provided adequate funds are available and a Lump Sum Authorization or Supplemental Payment Request is processed. A separate Lump Sum Authorization – Graduate Assistant form is used. Appropriate deductions will be withheld.

Regardless of whether the service is provided as a continuation or outside the individual's normal duties, the amount transferred will include fringe benefits. To estimate the amount that will be needed to cover the expenditure, add 30-35% to the base amount. The actual charges will be transferred. Example: \$1,000 is paid to John Smith on a lump sum authorization. John will receive \$1,000 less the payroll withholding amounts for retirement, federal income tax, state income tax and any deductions that John has elected. The Foundation account will reimburse the University the \$1,000 plus 8% retirement, FICA and a prorated portion of the employee's state-paid insurance. There are situations when the amount reimbursed is more than double the original payment amount.

4. ***Contractual Agreements.*** Contractual agreements with independent contractors, with a WIU Foundation account being the sole source of funds require a written contract and should be handled in the following manner:
 - a. Payments to individuals who are considered independent contractors over \$1,500 must be reduced to writing in the form of a simple two-party contract. The contract must specify that the agreement is with the Western Illinois University Foundation acting on behalf of the college, department, or organization. Other than location where services are to be provided, Western Illinois University should not be mentioned in the contract. Alcohol will not be paid as part of the travel expenses of

independent contractors. When contracting for payments for an independent contractor's travel expenses, travel is defined to include items such as hotels, meals, airfare, mileage, parking permits, tolls, and rental cars. No reimbursements will be given above the initial contracted amount for travel. The contract process for the WIU Foundation is not the same as the University contract. The contract should be submitted to the WIU Foundation Office attached to a DPA. An electronic copy is available on the Foundation web page in the resources section.

- b. The contract must be signed by the Executive Officer of the WIU Foundation and by the fiscal agent of the account providing the funds. All signature requirements shall be obtained prior to the performance and payment of the contract.
 - c. Checks are written twice weekly. To guarantee the check will be ready, the signed contract must be submitted at least five working days prior to the due date of the check.
 - d. In cases where written contracts for services with individuals are funded by both the University and the Foundation, the contract must be between Western Illinois University and the contractor, regardless of which entity has the majority interest. Currently, funds from the WIU Foundation will be transferred to the department's University local account. If the department does not have a local account, 3-54890 Development Office Operations may be used. Withholdings will be deducted when applicable. Also, appropriate terminology, as required for all university contracts, must be used with no reference to the WIU Foundation.
 - e. For services involving university employees, payment must be made with a lump sum payment authorization or supplemental payment request.
5. *Honoraria.* Payment of an Honorarium is allowable provided the individual is not an employee of the University. A written contract is recommended. A contract is required if the honorarium exceeds \$500. Honoraria may not be used to avoid preparing a contract or a lump sum authorization.
6. *Guest Expenses.* Reimbursement of reasonable expenses incurred for lodging, meals, and entertainment of guests **who are not considered independent contractors**, lecturers and other guests of the University is allowable. Unusual circumstances should be cleared with the Foundation and Development Office before expenditure.

7. **Receptions.** Reimbursement of expenses incurred for hosting a reception is allowed provided the activity is University-related and pre-approved by the appropriate dean, chairperson, or director as fiscal agent of the Foundation account from which reimbursement will be requested.

8. **Food and Catering.** Food, beverages and food supplies may be purchased from Foundation funds. Sodexo should be used whenever possible. Events with food and catering that include the purchase of alcohol require attendance of non-university personnel. If the occasion warrants attendance of a spouse, significant other or domestic partner, their portion of the expenses may be paid from the Foundation. While in travel status, alcohol may not be purchased from Foundation funds unless non-University personnel are in attendance. Itemized receipts must be submitted, along with the reason for the event, with the list of attendees noted on the face of the payment document. Events with food and catering require the approval of the appropriate Vice President if no non-university personnel will be present at the event.

Meals with Guest or Candidates. Business meals involving University personnel and non-University individuals (candidates or guests) are permissible. However, no more than four University employees may take an internal or external candidate (or guest) and candidate's family member(s) to breakfast, lunch, or dinner. Exceptions regarding the number of employees in attendance may be made with the approval of the President (or designee), the respective vice president (or designee), or the respective dean (or designee).

9. **Retirement Receptions.** Retirement receptions and dinners may be paid for out of Foundation funds. However, resignation receptions and dinners are not allowable expenses.

For retirement receptions and dinners where attendees pay to attend, contribution receipting should be only for the amount in excess of the price charged for the meal plus any fees charged for attendance. Sales taxes should be paid on the catering charges, and sales tax should be paid on any gifts purchased for the honoree. If there is a fee to attend the event and there is an expected net loss or no profit from the event, the entire event should be handled through a University Agency (9-xxxxx) account. Foundation funds may be used to cover shortfalls in University Agency (9-xxxxx) accounts.

See Gifts (17) for using Foundation funds to purchase retirement gifts.

10. **Faculty and Staff Travel.** Generally, the rules and regulations for travel are the same as for the University. Lodging exception forms are required if lodging exceeds the state rate.

11. **Automobile Expenses.** Expenditures for fuel for employer-provided automobiles should be only the business portion of the use of the vehicle.

12. **Association Dues and Publication Costs.** Departmental and/or institution association dues and publication costs may be paid from Foundation funds. Individual memberships and meals associated with memberships, including but not limited to Rotary and Chamber of Commerce, are not allowable expenses.
13. **Employee Licenses.** The purchase and maintenance of licenses and certifications required for employment are not allowable from Foundation funds.
14. **Magazines, Professional Journals, Internet-based Subscriptions.** Subscriptions may be paid from Foundation funds if directly related to departmental teaching, research, and/or public service activities. Subscriptions must be mailed directly to a university department office or the library.
15. **Equipment.** Equipment purchased with Foundation funds must be related to the teaching, research, and public service activities of the University. Title to equipment purchased is automatically transferred to the University, unless specifically indicated otherwise by the Foundation and Development Office.
16. **Flowers.** Flowers may not be purchased for University employees. Flowers may be purchased in memory of retired faculty/staff, current faculty/staff, and current students, as well as in memory of alumni and friends who have had a special impact on the University. Flowers may also be purchased in memory of immediate family members of alumni and friends who have had a special impact on the University. Memorial gifts should be from collections within the office and not handled through the Foundation.
17. **Gifts.** Gifts may be purchased from Foundation funds, with approval of the fiscal agent. Gift cards or gift certificates may not be purchased from Foundation funds, unless for resale related to fundraising purposes. Retirement gifts may not exceed \$100 per individual.
18. **Contributions to Organizations.** The Foundation frequently receives requests to contribute to outside organizations through gifts and fundraisers. The mission of the Foundation is to support the University; therefore, other organizations will generally not be supported by Foundation funds, unless it is directly related to the University. Vice President approval is needed to enable payment to non-University organizations or groups.
19. **Wearing Apparel.** The purchase of wearing apparel for students is allowable. In addition, the purchase of wearing apparel for employees is allowable if the purchase is approved by a Vice President.

The purchase of wearing apparel is not allowable from Foundation funds when the items are to be resold.

20. Items with WIU trademarks and logos. Western Illinois University departments and organizations must adhere to logo usage policies and guidelines set forth by Western Illinois University. Complete logo usage guidelines are available at www.wiu.edu/styleguide (updates forthcoming). Permission for logo, trademark, and wordmark usage, is administered and granted through University Marketing.

Any WIU trademark (logos: bell tower, Western Illinois sweep, Rocky logo, and/or wordmarks: Western Illinois University, Leathernecks, WIU) appearing on apparel, hats, coffee mugs, pens, etc. must be produced by a vendor licensed through Western's licensing partner, Learfield Licensing Partners. For more information on ordering licensed WIU products to promote your organization, department, or event, call 298-1861 or email Marketing@wiu.edu. Approval for the use of WIU trademarks will not be granted to vendors not licensed through Learfield Licensing Partners.

21. Other Uses. Other uses of Foundation funds that are not directly related to the above categories must be approved in writing by the Chief Development Officer/Executive Officer of the WIU Foundation before expenses are incurred. This approval must be attached to the payment document submitted by the department.

Certified as approved by the Executive Committee of the Western Illinois University Foundation Board of Directors on November 2, 2016.



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Marlin France, Secretary

Date Approved

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