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Dartmouth

APPROVED

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1/9/17

**Subject: UMass Dartmouth Business Expense Policy and Procedure
BUSINESS EXPENSE POLICY**

Purpose:

The Business Expense Policy applies to expenses incurred by a duly authorized University of Massachusetts Dartmouth Employee, Trustee, or student who incurs expenses in the process of conducting University business. The policies and procedures below are in accordance with Board of Trustee Policy T92-031 (Appendix C) revised 9/18/13.

General Policy

The Business Expense policy is applicable to expenses regardless of funding source and must be consistently applied to all University funds. University funds are defined as state and non-state funds, including but not limited to Grants, Contracts, Gifts, Endowments, Discretionary, and Restricted account funds. Certain funds, such as federal or state sponsored projects, may carry additional external restrictions which must be adhered to in addition to these policies. In general:

- Expenses must have a clear business purpose and be directly related to the goals and mission of the University/campus.
- Expenses must be reasonable and appropriate under the circumstances.
- This policy applies to employees conducting University business while on travel status.
- Expenses must be approved and fully documented in compliance with IRS accountability plans or regulatory requirements. (See Section 12).
- Expenses for an employee's spouse, domestic partner, and family members are not reimbursable except as allowed.
- Department heads are responsible for compliance with this policy for their departments.
- The campus does not pay for or reimburse expenses of a personal nature, i.e. prescription drugs or over the counter drugs not used for resale.
- Mileage reimbursement to/from UMass Dartmouth campuses is not normally allowable except in special circumstances with prior approval or as allowed by union contract.
- Travel while on sabbatical is allowed as outlined in the [sabbatical leave application](#).



The following are examples of the types of expenditures that may be paid/reimbursed subject to the general policy articulated above and the documentation criteria described below.

1. University Functions and Events Paid/Reimbursed with University Funds

1.1 University events may be campus-wide or on a smaller scale including:

- Ceremonial and official functions.
- Conferences/retreats/seminars-
- Recognition/morale activities including campus wide faculty/staff events. Events should be reasonable and modest in nature and occur no more than twice a year.
- Public relations/development/fundraising events for the purpose of soliciting or generating the goodwill of prospective donors and alumni.
- Recruiting of prospective employees.
- Community engagement and research collaboration with external sponsors.
- University sponsored meetings and conferences of an external organization.
- Various student events held in conjunction with student activities.

1.2 The use of University facilities, spaces, and conference services is strongly encouraged for all University events, functions and business meetings. Exceptions to use outside venues require prior approval by the Provost or Vice Chancellor for Administration and Finance.

1.3 University/campus-wide functions and events require prior approval through normal administrative channels. Single events in excess of \$500 require prior approval by the Appropriate Vice Chancellor and should include an estimate of total cost, description of business purpose and list of attendees. [Business Expense Approval forms](#) should be retained within the department hosting the event.

1.4 Retirement – Events marking an employee’s retirement from the University should be reasonable and modest in nature and must be pre-approved by the Appropriate Vice Chancellor. University funded events should only be considered for employees who have been employed by the University for a significant period of time, generally 20 years or more.

1.5 Functions may also be held for directors, department heads or higher who are stepping down from their positions and are either remaining with or leaving the University. The employee must have held the position for five years or more. Prior approval by the Appropriate Vice Chancellor is required.

1.6 University funds may not be used for occasions such as employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature.

1.7 University sponsored events for which tickets are sold to the general public are only allowable if the business purpose can be substantiated and must be approved in advance by the Appropriate Vice Chancellor.

2 Food and Beverage Provided at Business Meetings and University Functions and Events

The University may pay for or reimburse expenses for meals or light refreshments provided in connection with business meetings and other university functions involving University employees conducting official University business.

Food and Beverage at business meetings require prior approval through proper administrative channels if the cost exceeds \$500. Proper administrative channels is the Appropriate Vice Chancellor.

The following guidelines should be observed:

- One-on-One business meals are prohibited between two or more employees of the University including one-on-one meetings between UMass Dartmouth employees and employees of the system office or other University campuses. This rule applies to employees on travel status as well unless approved in advance.
- Meals (breakfast, lunch, and dinner) should not be provided at regular business meetings attended only by University employees from the same department or location. An exception is available if the meeting is held during meal times in order to accommodate an extended agenda or if participants are unable to meet during regular business hours.
- Meals should not be provided as a matter of personal convenience and must be reasonable and appropriate to the purpose and nature of the meeting. Staff participation should be limited to those persons required to conduct the business.
- Meals may be provided for employees who are required to work on-site for extended hours due to ongoing projects or urgent issues. Supervisor approval is required.
- Purchases of food and beverages on Externally Sponsored Projects must be in line with the sponsor terms & conditions. Please contact the Grant Manager at the Sponsored Projects Administration Office for further guidance.
- Events and business meetings on campus that include food and beverage must be provided by [University Dining Services](#). When alcohol is served the event must adhere to the University's alcohol policy (See Section 11).
- University employees on travel status may be reimbursed for the actual cost of a meal while conducting a business meeting as defined above. An individual's meals while traveling are otherwise reimbursed according to the *per diem* rate in the [Travel Policy](#). Employees may opt to use actual detailed receipts for meals and incidentals if less than the per diem rates.
- In meetings with non-University participants, for the purpose of recruiting potential employees, soliciting prospective donors or sponsors, and hosting official guests when necessary for the conduct of the University/campus business, alcoholic beverages may be purchased during the meal. The expense should be commensurate with the nature of the business and prior approval by Appropriate Vice Chancellor is required.
- Coffee, water and other beverages or snacks in excess of \$25 are not allowed unless pre-approved by the Appropriate Vice Chancellor or their designee.

3. Purchasing or Complimentary Distribution of Event Tickets

The University may provide or pay for tickets to a University sporting, theatrical, or musical event to an employee or prospective donor in connection with the conduct of official University business. Detailed documentation is required to clarify the University business purpose and must be approved by the Appropriate Vice Chancellor.

Expenses for spouses, partners, and family require written documentation of University business purpose and Appropriate Vice Chancellor approval.

- **Tickets and Donations to Non-University Charity Events**

In general, University funds should not pay for fundraising activities, table sponsorships, or award dinners to external not-for-profit organizations unless such an event or payment is directly tied to the mission and activities of the University. The department assuming the expense must document this purpose and alignment of the mission and activities of the University and attach such justification to the related payment documents along with the written approval of the expense, so that it is clear why the University is making such a payment.

Consistent with [Trustee Policy T92-031 for Management of University Funds](#), contributions and gifts given to external organizations must be approved by the Appropriate Vice Chancellor.

On Campus Fund Raising Events

- Employees attending a fundraising event sponsored by a campus unit, department or program for a legitimate business purpose, as approved by his/her supervisor and the sponsoring campus unit, may use university funds or receive complimentary admission for the portion of the ticket price that includes the actual cost of the event.
- University funds should not be used for any portion of the ticket price that includes a charitable contribution and sponsoring campus units should not expect that a charitable contribution would be made by an employee approved to attend for legitimate university business purpose.
- The campus will not purchase or reimburse an employee for the cost of attendance if the attendance is a matter of personal choice.
- The required supporting documentation needs to be completed for tickets purchased and kept on file for seven years and in accordance with the University's record retention matrix.

<http://www.umassd.edu/policies/activepolicylist/businessandfinanceoperations/umassrecordmanagmntretentiondispositionpolicy/>

5. Tickets and Donations to Non-university Charitable Events

In general, University funds should not pay for fundraising activities, table sponsorships, or awards dinners to external not-for-profit organizations unless such an event or payment is directly related to the mission and activities of the University. The department assuming the expense should document this purpose and connection and attach such justification to the related payment documents along with the written approval of the expense so that it is clear why the University is making such payment.

- Contributions and gifts given to an external organization by the University must be approved by the Provost or Vice Chancellor for Finance and Administration which is consistent with Trustee Policy T92-031 for Management of University Funds. Written approval will accompany any documentation for such expenditures.
- If a nonprofit community or charitable fundraising event includes a cash donation as part of the meal or registration fee, additional documentation must be furnished by the employee to substantiate the business expense.
- The cost of a contribution must be reasonable in relation to the actual or expected benefits.
- University policy does not permit contributions in connection with any event sponsored by an organization associated either directly or indirectly with a political party, campaign, candidate, or group engaged in an attempt to influence legislation, elections, referenda, or similar activities.

- **Documentation**

The following information will be recorded for tickets distributed for each event:

- Employee incurring the expense
- Number of tickets
- Names, address, of individual(s) receiving tickets
- Description of event
- Date of the event
- Cost of the tickets

For each ticket distributed for University business purposes, the name, and business relationship to the University must be listed. Examples of the individuals with a business relationship with the University include:

- Alumni Board Member or Volunteer
- Current or Prospective Donors
- Research or Industry Liaisons (include name of company)
- Student or Employee Recruitment
- Civic Leader or other officials
- Event Participant's family member.

6. Employee Non-Cash Awards and Gifts

Non-cash gifts or awards to employees may be paid for by the University for the Events listed below. Gifts or Awards of value should be infrequent and generally not awarded to an employee more than once a year. Gifts may not be provided as personal gratitude or in lieu of compensation and must conform to the [Internal Revenue Service \(IRS\) regulations](#) to be excludable from an employee's gross income.

6.1 Allowable Awards and Gifts

- **Employee Recognition and Length of Service Awards**

A non-cash award may be presented to an employee in recognition of outstanding work-related accomplishments. This award should be part of a pre-defined program (e.g. Employee of the Month) and of modest value such as books, plaques, ticket to a single sporting or cultural event.

Employee recognition and length of service awards must be provided within an established recognition program approved by the Chancellor or Appropriate Vice Chancellor. Awards must be presented to employees based on objective criteria as part of a ceremonial event held at the university, college or departmental level and should not exceed \$100.

- **Retirement**

A non-cash gift may be presented to an employee upon retirement from the university. The item must be commensurate with the nature and value of the employee's contribution to the University.

- Individuals attending a retirement function may contribute to the cost of the event and the gift.

- **Sympathy/Memorial/Extended Illness**

Gifts of tangible personal property, such as flowers, may be presented on behalf of the University as an expression of sympathy in the event of the death or major illness of an employee or a member of the employee's immediate family.

Cost should be moderate and reasonable in nature.

Limits

The following table includes the per-person limits for the awards and gifts allowable under this policy.

Type Of Non Cash Award/Gift/Prize	Annual Per-Person
Employee Recognition	\$100
Length of Service	\$100
Retirement	\$400
Sympathy Gift – Tangible Personal Property	\$150
Sympathy Gift – Cash Contributions in lieu of flowers	\$150
Door Prizes and Raffles	\$250

6.2 Gift Certificates and Cards Guidelines

Gift certificates and gift cards may be issued for University of Massachusetts Dartmouth venues and entities such as the bookstore, dining and retail facilities, events and activities. The gift certificates/gift cards cannot be converted to cash or transferable. The amount should not exceed \$50 per person.

Such gift certificates and cards must confer only the right to receive tangible personal property. Department issuing gift certificates/cards must keep a record of all gift certificates/cards issued. This record should include recipient name and amount received. The recipient of such gift card must sign a receipt.

If gift certificates or gift cards are distributed in conjunction with human subject research, please refer to the Institutional Review Board's Policy and Procedures.

7. Prizes and Awards to Students

Prizes and awards to students are generally permitted as described below. Scholarships need to be processed by Financial Aid. Following are the parameters under which prizes and awards other than scholarships may be given:

7.1 Prizes and Awards Requiring Financial Aid Reporting

- Cash
- Non-cash items to assist with education (laptops, lab supplies, textbooks, etc.)
- Gift Certificates given in any amount:
 - To assist with educational expenses
 - In recognition of educational achievements

7.2 Other Non-Cash Prizes and Awards

Other non-cash prizes and awards that are not educational in nature (laptops, lab supplies, textbooks, etc.) must conform to section 6 above.

Documentation Requirements: All laptops or tablets must have a memo indicating that it is to be used as a prize and the memo must be attached to the requisition form.

8. Moving, Relocation and Temporary Housing

This policy is intended to aid in recruiting and relocating exceptional candidates for critical University positions. The reimbursement or payment of moving expenses and temporary housing expenses for faculty and staff members from department current expenditure funds may be authorized to the extent that such funds are available, when the administrative head of the employing department deems this expenditure is necessary and it is approved in advance by the Appropriate Vice Chancellor. Additional approval by the Principal Investigator is required when appointee's expenses are to be paid from a Grant or Contract and should adhere to sponsored projects guidelines. All such reimbursements/payments shall be made in accordance with procedures outlined in the Procurement Manual. [See UMD Moving Expense Policy BUS-005](#)

9. Employee Professional Dues and Subscriptions

- The university may pay for employee membership dues to professional organizations and subscriptions to professional journals or newspapers if they are appropriate for the individual's position and duties and if the membership or subscription benefits the University.
- Life memberships in a professional organization may be purchased, at the discretion of the Appropriate Vice Chancellor if it is anticipated that the overall cost will be less than the cost of annual memberships over the employee's anticipated tenure at the University.
- Departmental coordination of subscriptions is encouraged to avoid duplication.
- Dues and subscriptions should be in the name of the University to the extent possible and delivered to a University address.
- The University will not pay union dues.
- All individual club memberships, including UMass Club, are an individual's responsibility and the membership costs are not a business or reimbursable expense.
- Membership in any country club, social or dining club are not a business or reimbursable expense.
- Membership in any civic or community organization may be allowed if directly related to employment (i.e. advancement) and approved by the Vice Chancellor of Administration & Finance.
- If an employee uses the UMass Club for a legitimate official business meeting, the costs of that meal are reimbursable with proper documentation and approval as required of other business expense.
- The UMass Club may directly bill official events of the University and such invoices will be paid through our routine accounts payable process.
- Memberships and subscriptions are not generally allowable as direct costs on a sponsored project. Staff should contact the Sponsored Projects Administration Office before attempting to charge these expenditures to a sponsored project to ensure such expenditures are allowable under the sponsor terms & conditions for a project.

10. Information Technology

All Information Technology services, per Board policy, must be procured through the Purchasing Department in conjunction with Computer and Information Technology Services. IT Purchasing Policy BUS-C13_005.

- **Cell Phones and Other Communication Devices**

To comply with IRS standards the University has developed policy [BUS-001 Cell Phone/PDA Usage](#) for employer provided benefits including cell phones and other communication devices.

- **Home Use Internet Access**

Home use internet access will not be reimbursed except in very limited circumstances related to the CITS function.

11. Alcohol Policy for University Events

The Board of Trustee Business Expense Policy states, "Purchase of alcoholic beverages is highly discouraged due to the expense and the potential liabilities involved. However, when written authorization is obtained *prior* to the event or when specific campus policies are followed, the purchase may be allowed." Board of Trustee Policy, Doc. T92-031, 405.5) The purchase may be made through Dining Services or their approved substitute.

- **On Campus Events**

- Alcohol served at any event held on campus must be purchased and served by Auxiliary Services or their approved substitute.

- **Off Campus Events**

- An insured, licensed vendor must serve alcohol at off campus events sponsored by the University. The appropriate method of payment for alcoholic beverages for an event is a purchase order recorded on account code 734290. The supporting documentation must include proof that the vendor is licensed to serve alcohol and a certificate of insurance.

The purchase of alcoholic beverages is not allowed on any federal and state grants or contracts. Exception to this policy: if the alcohol is used within the research project, then the purchase should be coordinated with the grant accountant.

12. Required Documentation

A [business expense form](#) is required whether the expense is on a purchase order, Procard or recharge. The travel/employee reimbursement expense report also serves as a business expense form.

Prior approval of business meals and entertainment is required as specified in this policy. Business expenses must be supported by a completed [business expense form or expense report](#) itemizing the cost and purpose of the activity and approved by the next level administrative staff member prior to payment. Prior approval is necessary for a University function equal to or exceeding \$500. When incurring an expense via a recharge the business expense form is kept on file in the department incurring the expense either as a hard copy or electronically for a period of three years for non-sponsored funds and for 3 years subsequent to the close of a sponsored grant.

All expenditures must be accompanied by a detailed receipt and sufficient detail within the employee's business expense report including all of the following:

- The date, location, and description of the expenditure.
- The name(s), title, organization affiliation, and business relationship of the person(s) in attendance.
- Business purpose for incurring the expense.
- Approval of the expenditure through administrative channels noted above.

13. Business Expense Reimbursement

- [University Board of Trustee Policy Doc. T92-031, as revised \(Appendix A\)](#), states that “no person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the obligation.”
- The University will not assume liability for purchases that are not made through approved purchasing procedures.
- Reimbursements to faculty and staff for purchases or material from any University fund should be made only under extraordinary circumstances.
- Employees wishing to make computer purchases should follow the [Information Technology Guidelines](#). Such guidelines require that all computer purchases must be made using the University requisitioning system. All such requests to purchase computers must have the prior approval of the CIO in accordance with the BOT policy.
- Personal Printers are not allowed unless prior approval in accordance with the IT Procurement Policy is received.
- Employees should have approval from their supervisor before they make any commitment to a vendor or make a purchase with the intent of being reimbursed.
- The employee being reimbursed cannot be the authorized signature; the immediate supervisor must sign above the authorized signature on the reimbursement form for payment to be processed.
- Undergraduate students should not be expected to make any department purchases that would require reimbursement. Departments should utilize BuyWays (preferred), ProCard, and other purchasing procedures.
- The University is a tax exempt organization; and as such, does not pay sales tax for purchases. Employees will not be reimbursed for sales tax for purchases made within the Commonwealth of Massachusetts and the states of Connecticut and Rhode Island. Please use the ST-2 form which can be obtained by contacting Accounts Payable at ext. 3470.
- Any reimbursement request in excess of \$250 will require approval of Division Head: Dean; Associate Vice Chancellor; Associate Vice Provost; Vice Chancellor; Vice Provost.
- Itemized receipts must be provided.
- A detailed justification for the purchase must be provided.
- All reimbursements must be submitted to Accounts Payable with 120 calendar days of purchase. University and Trustee policies require any reimbursement submitted after the 120 days to be considered taxable income to the recipient.
- **No reimbursement will be paid if the expense exceeds six months unless the employee is out of the country for sabbatical leave or other university business.**
- If the expense is for lunches, conference meals, campus events and refreshments please see Section 2 of this document.
- These procedures do not in any way replace established purchasing, policy, procedures, or regulations.
- The Appropriate Vice Chancellor must approve exceptions to the Business Expense reimbursement procedures. All exceptions must be documented.

- All ProCard purchases must follow ProCard Guidelines available at:
<http://www.umassd.edu/media/umassdartmouth/administrativeservices/procard/procarduserguide031116.pdf>

Approval Matrix

Activity	Account Admin	Supervisor	Dean or VC
UNIVERSITY FUNCTIONS			
Meals or light refreshments provided in connection with business meetings	X	X	
Business meetings	X	X	
Business meetings in held in excess of the allowed frequency.	X	X	X
University Functions in excess of \$500 per event.	X	X	X
FUND-RAISING & DISTRIBUTION OF EVENT TICKETS			
Entertainment of prospective donors.	X	X	
Fund-raising events in excess of \$500 per event.	X	X	X
Tickets to an event in connection with University business.	X	X	
Spouse/partner of a University guest or employee invited to a fund-raising event.	X	X	X
Contributions in association with civic event or registration.	X	X	X
CELL PHONE USE	X	X	
HOME INTERNET ACCESS			X
ALCOHOL AT UNIVERSITY FUNCTIONS	X	X	X
ALCOHOL AT A BUSINESS MEETING	X	X	
ALCOHOL AT A BUSINESS MEETING IN EXCESS OF LIMITS IN SECTION 12 B	X	X	X
RETIREMENT & RECOGNITION AWARDS			
Employee Recognition / Length of Service	X	X	
Retirement	X	X	
SYMPATHY/MEMORIALS/EXTENDED ILLNESS	X	X	
Amount in excess of limits	X	X	X
PRIZES	X	X	
Prizes in excess of limits	X	X	X

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