



UNIVERSITY OF MASSACHUSETTS AMHERST

Business Expense Policy

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Table of Contents

1. Purpose (Revised 4/2017)	1
2. General Policy	1
3. Employee Reimbursements	1
A. General Reimbursement Policy	1
B. Restricted Employee Reimbursements	3
4. University Functions Paid/Reimbursed with University Funds	3
5. Food and Beverage Provided at Business Meetings and University Functions	4
A. General Policy	4
B. Reasonable per person meal rates	5
C. On Campus Catered Events	5
6. Contributions to External Organizations	6
A. General Policy	6
7. Purchasing or Complimentary Distribution of Event Tickets	6
A. General Policy	6
B. Documentation	6
C. On Campus Fund Raising Events	7
D. Tickets and Donations to Non-university Charitable Events	7
8. Employee Non Cash Awards and Gifts	7
A. General Policy	7
B. Allowable Awards and Gifts	8
I. Employee Recognition and Length of Service Awards	8
II. Retirement	8
III. Sympathy/Memorials/Extended Illness	8
IV. Door Prizes & Raffles	8
C. Limits	9
*See Section D below for gift certificates and gift cards	9
D. Gift Certificates and Cards (New October, 2016)	9
9. Prizes and Awards to Students	10
A. Prizes and Awards requiring Financial Aid reporting	10
B. Other Non-Cash Prizes and Awards	10
10. Moving, Relocation and Temporary Housing	10
A. Moving Expense Categories	10

III. Qualified moving expenses include the following	11
B. Unallowable Moving/Temporary Housing Expenses	12
C. Recordkeeping	12
D. References	13
I. IRS Pub 521	13
II. Contract Vendors for Moving:	13
III. Moving Mileage Rates.....	13
11. Employee Professional Dues and Subscriptions.....	13
12. Cell Phone Use.....	13
A. General Policy	13
B. Business Use Statement.....	14
C. Cell Phone Optimization Project (Verizon and AT&T Plans)	14
13. Home Use Internet Access	15
14. Alcohol Policy for University Events.....	15
A. General Policy	15
I. On Campus Events	15
II. Off Campus Events	15
B. Business Meals	16
15. Approval Authority and Documentation of Expenditures	16
A. Account Administrator.....	16
B. Supervisor	16
C. Dean or Vice Chancellor.....	17
D. Delegation	17
E. Documentation	17
I. Supporting Documentation	17
II. What is a Valid Receipt? (Change October, 2016)	17
F. Timeliness – Travel/Employee Reimbursements.....	18
G. Approval Matrix.....	19

1. Purpose (Revised 4/2017)

The Business Expense Policy applies to expenses incurred by a duly authorized University of Massachusetts employee or trustee conducting university business. A school or department may establish more restrictive guidelines and procedures than those covered by this policy. The policies below adhere to Board of Trustee Doc. T92-031 (Appendix C). The nature of the higher education environment, along with the limited funds available (e.g. for travel to conferences), is such that some business-related expenses may not be fully reimbursed.

2. General Policy

The Business Expense Policy is applicable to expenses regardless of funding source and must be consistently applied to State, GOF, RTF, Grant, Gift, Endowment, CEI and other funds across the campus. Certain funds may carry additional external restrictions which must be adhered to in addition to these policies.

- A. Expenditures must be a necessary and appropriate expense of the organization, be directly related to the goals and mission of the University/campus and be an allowable charge to the funding source.
- B. Expenses must have a clear and documented business purpose.
- C. Expenses must be reasonable, moderate in nature and allocable under governing laws, regulation and University policy.
- D. Expenses must be approved and fully documented in compliance with IRS accountability plans or regulatory requirements. (See section 14)
- E. These policies also apply to employees conducting University business while on travel status.
- F. Expenses for employee spouses, partners and family members are not reimbursable by the campus except for attendance at on-campus ceremonial events or events involving recruitment or fund-raising. The campus does not pay for or reimburse travel expenses for employee spouses.
- G. The campus does not pay for or reimburse expenses of a personal nature, i.e. prescription drugs or over the counter drug not used for resale.
- H. Department heads are responsible for compliance with this policy for their departments.

3. Employee Reimbursements

A. General Reimbursement Policy

In accordance with University policy, reimbursements to faculty and staff against University funds, other than those for charges incurred for authorized business expenses as outlined in [Trustee](#)

[Doc. T92-031](#), may be made only under extraordinary circumstances. Departments are cautioned to check with a buyer in Procurement before committing to a vendor with the intention of being reimbursed by the University for purchases that are not specifically authorized in Trustee

Doc. T92-031. Final approval of any reimbursement shall be left to the discretion of the Controller's Office and Procurement Department.

The expenses below are generally acceptable employee reimbursements:

- Employee Travel (See [Travel Manual](#))
- University Functions (See section 4. Catering is processed via a Purchase Order)
- Business Meetings (See section 5)
- Event Tickets (See section 6)
- Employee Non Cash Awards/Gifts (See section 7)
- Prizes and Awards to Students (See section 8)
- Certain Moving, Relocation and Temporary Housing Expenses (See section 9)
- Employee Professional Dues and Subscriptions (See section 10)
- Cell Phone expenses (See section 11)

B. Restricted Employee Reimbursements

Reimbursements cannot be made, under any circumstances,

- Services in subsidiaries HH (Consultant services),
- Services for JJ (Operational Services)
- Equipment
- NN (Construction)
- Massachusetts Sales tax except for business meals or University functions.

University employees shall not be paid for services rendered to their department or any other University department. Such payments must be authorized by and processed through Human Resources, if appropriate. Check with Human Resources before committing to an employee for services.

4. University Functions Paid/Reimbursed with University Funds

See section 5.B for reasonable per person meal rates and section 8.C for per person limits on non cash awards and gifts. University functions require the approval through normal administrative channels and single events in excess of \$500 require prior approval by a Dean or Vice Chancellor University functions may be campus-wide or on a smaller scale including:

- A. Ceremonial and official functions
- B. Conferences/retreats/seminars (not as part of a sponsored grant/contract)

- C. Recognition/morale activities including department wide faculty/staff events occurring no more than twice a year
- D. Public relations/development/fund-raising events for the purpose of soliciting or generating the goodwill of prospective donors and alumni
- E. Business meetings
- F. Recruiting of prospective employees
- G. Various student events held in conjunction with student activities
- H. Community engagement and research collaboration with external sponsors
- I. University sponsored meetings and conferences of an external organization

5. Food and Beverage Provided at Business Meetings and University Functions

A. General Policy

The University may pay for or reimburse meals or light refreshments provided in connection with business meetings and other university functions involving University employees conducting official University business under the following guidelines:

- I. One-on-One business meals are prohibited between two employees of the University. This rule applies to employees on travel as well.
- II. Meals (breakfast, lunch and dinner) should not be provided at regular business meetings attended only by University employees unless held during meal times in order to accommodate an extended agenda or where participants could not meet during regular business hours. Meals should not be served more than once a month to the same group of participants.
- III. Meals should not be provided as a matter of personal convenience and must be reasonable and appropriate to the purpose and nature of the event.
- IV. University employees in 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 rates](#) in the Travel Policy manual.
- V. Meals or functions that involve alcohol must be in conformance with the alcohol policy in Section 13.
- VI. Light refreshments (pastries, snacks, refreshments etc.) may be paid for or reimbursed when participants from more than one department and location attend regular meetings occurring no more than twice per month.

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

B. Reasonable per person meal rates

Meal Provided	Reasonable per person meal rates for meetings and university functions	Meals include costs of food and beverage, service, catering, tips. Light refreshments include coffee, soda and other non-alcoholic beverages and pastries, cookies, fruit, snack etc. The Controller's Office may request additional documentation and approval where reasonable rates are exceeded.
<i>Restaurants</i>		
Breakfast	\$22.50	
Lunch	\$37.50	
Dinner	\$60.00	
<i>Catered Events</i>		
Light Refreshments	\$22.50	
Meal	\$26.00	

Note: A reasonable tip for business meals is 20% of the cost of the meal. Employee reimbursements for business meal tips will not exceed 20%.

C. On Campus Catered Events

All catered events sponsored by a campus entity are required to contact UMass Catering for catering services. If alcohol is to be served, the event must also adhere to the University's alcohol serving policies. In extenuating circumstances, when UMass Catering is unable to provide the service requested by a department, a waiver is required from the University's Department of Environmental Health and Safety. The catering department will assist in getting this waiver. Private vendors operating food carts, concessions, catering and other food service operations are prohibited from operating on campus. The purpose of this policy is to ensure compliance with applicable state health and safety standards regarding the preparation and serving of food. It also provides the campus with reasonable controls to ensure services meet standards which preclude issues of campus liability.

6. Contributions to External Organizations

A. General Policy

Contributions and gifts given by the University must be approved by the Chancellor, Vice Chancellor or their designee. Written approval will accompany any documentation for such expenditures. University policy does not permit contributions to any individual or organization directly or indirectly associated with a political party, campaign, candidate, or group engaged in an attempt to influence legislation, elections, referenda, or similar activities.

7. Purchasing or Complimentary Distribution of Event Tickets

A. General Policy

The University may provide or pay for a ticket to a sporting, theatrical, or musical event to a prospective donor or employee in connection with the conduct of official University business. The original documentation, including the information below is required to clarify the University business purpose and must be approved by the employee's supervisor. The [Event Tickets Use Report](#) may be used document the required information below. Expenses for spouses, partners and family of an employee require written documentation of University business purpose and dean or vice chancellor approval.

B. Documentation

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

- Employee incurring the expense
- Number of 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 needs to 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

C. 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 three years as a hard copy or electronically.

D. Tickets and Donations to Non-university Charitable Events

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.

Contributions and gifts given to an external organization by the University must be approved by the Chancellor, Vice Chancellor or their designee. Written approval will accompany any documentation for such expenditures.

8. Employee Non Cash Awards and Gifts

A. General Policy

Non-cash gifts or awards to employees may be paid/reimbursed by the University for the events listed in section B below and are subject to the limits in section C below. 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. Gifts or Awards should be infrequent and generally not awarded to an employee more than once per year. University funds may not be used for occasions such as employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature.

B. Allowable Awards and Gifts

I. Employee Recognition and Length of Service Awards

1. Employee recognition and length of service awards must be provided within an established recognition program and be approved by Human Resources when the award exceeds \$100. Generally, the length of service period begins after 20 years of service and should not be less than a 5 year interval. Awards must be presented to employees based on objective criteria as part of a ceremonial event held at the departmental level.
2. A non-cash award may be presented to an employee in recognition of outstanding work-related accomplishments. Such awards should be of minimal value such as books, a plaque, a ticket to a sporting or cultural event (excluding a season ticket) or a parking permit.

II. Retirement

1. 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 and is subject to the per-person limit included in section C below.
2. Individuals attending a retirement function may contribute to the cost of the event and the gift. The Controller's Office will permit the establishment of an agency account to facilitate the collection of participant receipts and gift/event purchases.

III. Sympathy/Memorials/Extended Illness

1. Gifts of tangible personal property, such as flowers, may be presented as an expression of sympathy in the event of the death or major illness of an employee or a member of the employee's family as defined in the bereavement policy. The cost of such gifts is limited to the amount specified in Section C below.
2. In lieu of flowers a cash contribution of a comparable amount may be made to a charitable organization in memory of the deceased. Contributions may not be made to any political campaign, political party, committee, or group engaged in any attempt to influence the general public with respect to legislative matters, elections, or referendums. The cost of such gifts is limited to the amount specified in Section C below.

IV. Door Prizes & Raffles

1. Occasionally, departments may hold raffles for door prizes and other gifts to entice employee participation in an event. The cost of such prizes is limited to the amount specified in Section C below.

C. 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 Limits
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

*See Section D below for gift certificates and gift cards

D. Gift Certificates and Cards (New October, 2016)

I. Allowable Uses

Gift certificates and gift cards may be used for the following purposes:

- Human Subject Compensation
- Recognition
- Door Prizes / Raffles as enticements

Caution: Gift certificates and gift card should not be used as employee or nonemployee compensation.

II. Gift Certificate/Card

Cash or cash equivalent items provided by the University for Human subject participants, recognition or door prize/raffles as enticements. Gift certificates and cards must confer only the right to receive tangible personal property and cannot be redeemed for cash or used to reduce the balance due on the recipient's account with the merchant

III. Limit

Gift Certificate/card are limited to \$100 per person per event or human subject study.

IV. Record Keeping and Accountability

Proper safeguarding are required at all times. At a minimum, the following steps must be in place:

- A single individual must be designated as custodian of the gift cards.
- Gift Certificates/Cards must be secured in a locked drawer, cabinet or room.and be accessible to only the designated custodian.

- Issuances of gift certificates/cards should be documented in a log (spreadsheet) or by individually collected receipts, including the date of issuance, purpose, certificate/card amount and signature of recipient.

Note: For purposes of recognition the department may elect to prepare a Business Expense form in lieu of a signature from the recipient.

9. 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.

A. Prizes and Awards requiring Financial Aid reporting

- I. Cash
- II. Non-cash items to assist with education (laptops, lab supplies textbooks, etc.)
- III. Gift Certificates/Cards given:
 1. To assist with educational expenses
 2. In recognition of educational achievements

B. Other Non-Cash Prizes and Awards

Students may be awarded a non cash gift for meritorious academic achievement. All non-cash prizes and awards that are not educational in nature (laptops, lab supplies textbooks, etc.) must conform to section 8.B.IV above.

10. Moving, Relocation and Temporary Housing

The following policy addresses moves incurred prior to 01/01/2018. A new policy based on the recent Tax Reform Act is being developed for moves in 2018 and forward.

The payment of moving, relocation, and temporary housing expenses for faculty and staff members from department current expenditure funds may be authorized to the extent that funds are available and approved in advance by the appropriate department head. Additional approval by the Principal Investigator is required when appointee's expenses are to be paid from a grant or contract. All payments shall be made in accordance with procedures outlines in the [Amherst Purchasing Policy/Manual](#)

A. Moving Expense Categories

Moving expense payments made by the University must be separated into the accurate category to ensure proper tax reporting and withholding with the use of the [Moving Expense](#)

[form](#). The categories as outlined below are nonqualified expense, qualified expenses paid to employees, or qualified expenses paid to third parties. For a comprehensive publication explaining the deduction of expenses for moving, see [IRS Publication 521](#).

I. Nonqualified Moving Expenses: Nonqualified moving expenses are payments by the University for the following:

1. Temporary living costs
2. House hunting
3. The costs of meals consumed while traveling
4. Storage expenses in excess of 30 consecutive days
5. Return trips to former residence, etc.
6. Expenses submitted one year or more from the date the employee first reports to work at the new location.

Whether the employee is reimbursed or the payment goes directly to a third party, these payments must be reported as federal wages in Box 1 of Form W-2 and are subject to income tax withholding and Medicare taxes.

II. Qualified Moving Expenses: Each of the following requirements must be satisfied before classifying an expense as "Qualified".

1. **The 50-Mile Test:** No moving expenses can be excluded from the employee's income unless the employee's new work site is at least 50 miles farther from his former residence than his old work-site was from his old residence.

2. **The Time Test:** During the 12 months immediately following the employee's arrival in the new location, the employee is employed full time for at least 39 weeks.

3. **Move is closely related to the start of work:** The employee's move must be closely related, both in time (generally within 12 months to start date) and place (generally the distance from the employee's new home to the new job location should not be greater than the distance from the employee's former home to the new job location), to the start of work at the new job location.

III. Qualified moving expenses include the following:

1. **Packaging/Storage/Shipping** of household goods (personal effects and property) and the reasonable expense for moving an automobile. The MHEC Interstate Moving Contract must be used for contracting with movers for payments made directly to a company. All moving expenses paid by the University to a moving company should be requested on a standard purchase order form and charged to account code 761590.

2. **Instructional and research** in addition to the personal household goods outlined above when approved as part of the employee agreement.

3. **Transportation** expenses are the costs for the faculty or staff member and family en route to the position assigned including lodging, airfare or mileage (see special IRS [mileage](#) rate for moving) using the shortest and most direct route.

4. **Rental Trucks/Trailers** may be authorized if complete documentation is presented

that includes receipts for gasoline purchases and truck rental. Reimbursement will be made for the hiring of assistance to help with loading or unloading of household goods when this is the least expensive method.

All travel costs include only the cost between former and new residence by the shortest and most direct route.

IV. Qualified Moving Expenses Paid to Employees: These payments are not taxable income to the employee, are not included in Box 1 of Form W-2, and are not subject to income tax withholding or Medicare taxes. They are reported in Box 12 of Form W-2 and are identified with code P.

V. Qualified Moving Expenses Paid to Third Parties: Qualified moving expenses paid directly to third parties (e.g., to a moving company) are not reported anywhere on the Form W-2. All moving expenses paid by the University to a moving company should be requested on a standard purchase order form and charged to account code 761590.

B. Unallowable Moving/Temporary Housing Expenses

The following expenses should never be paid/reimbursed:

- Expenses of entering into or breaking a lease
- Cost of selling or buying a new house
- Security deposits or last month's rent
- Moving animals other than household pets
- Cost of connecting or disconnecting appliances or utilities
- Moving non household goods
- Repairs/remodeling of new or former home
- Cost of disposing contents of former home

C. Recordkeeping

The [Moving Expense form](#) must be prepared and submitted to the Controller's Office whenever the University reimburses an employee or pays a third party on the employee's behalf for moving expenses. If there is more than one payment, a separate moving expense form is required with each payment. Original forms are forwarded to the Payroll Office and copies are kept on file in the Controller's Office.

It is important for incoming employees who have an approved moving allowance to maintain an accurate record of expenses paid to move. Receipts, bills, cancelled checks, credit card statements and mileage logs are all items that should be saved. All receipts must be itemized showing proof of payment.

Caution: Reimbursements to new employees for out of pocket moving expenses they incur

will not be available until the new employee starts receiving compensation through Human Resources. All reimbursements should be charged to the “moving expense/moving mileage” expense type, account code 726910, in the Expense Module. The University is required to report payments to or on behalf of an employee for moving household goods or related expenses to the Internal Revenue Service and Massachusetts Department of Revenue.

D. References

I. IRS Pub 521:

<http://www.irs.gov/formspubs/lists/0,,id=97819,00.html>

II. Contract Vendors for Moving:

<http://www.umass.edu/procurement/aboutcont.html>

III. Moving Mileage Rates:

<http://www.umass.edu/aco/ap/aptravelmilage.htm>

11. 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 dean/vice chancellor, 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.
- Union dues will not be paid by the university.

Memberships and subscriptions are not generally allowable as direct costs on a sponsored project. However, under certain unusual circumstances, membership dues and/or subscriptions may be allowable on a project. Faculty and staff should contact their Grant Accountant before attempting to charge these expenditures to a sponsored project.

12. Cell Phone Use

A. General Policy

To comply with IRS standards the University has developed this policy for employer provided benefits including cell phones and other communication devices (iPads, Kindle et al). The value of the employee's personal use will be treated as a non-taxable fringe benefit when a substantial business use can be established.

Substantial business reasons include:

- Employer's need to contact the employee for work related emergencies
- Employer's requirement that the employee be available to conduct employer's business when away from the office

Currently, Verizon and AT&T plans are handled under the Cell Phone Optimization Project. Please see section C below for information on the Cell Phone Optimization project.

Family members and non-employees cannot be on UMass phone plans nor will employees be reimbursed for any portion of a plan that includes non employees.

When University funds are used to purchase a cell phone or other communication device that device must be serviced by a University paid plan.

Cell phone costs generally cannot be paid from grants unless they are for budgeted direct research costs, e.g. remote transmissions from instrumentation. Cell phones are the property of the university and must be returned to your department when no longer utilized.

B. Business Use Statement

The Cell Phone or Other Communication Device Business Use Statement [Cell Phone Agreement form](#) needs to be completed and then approved by a supervisor or department head to affirm that employees have a substantial business reason for having their cell phone costs paid for by the University. No payments or reimbursements of cell phones will be made unless this form is submitted. Employees are required to resubmit the attached form if circumstances reduce their business need for a UMass cell phone.

C. Cell Phone Optimization Project (Verizon and AT&T Plans)

AT&T and Verizon Cell phone are covered under this plan:

- I. Cell phone monthly usage charges are paid centrally and costs will be recharged similar to landline telephone service.
- II. Reports and details of cell phone usage will still be available on-line for departments and individual users.
- III. The University will continue to monitor usage to ensure cell phones and data units are on the appropriate plans. Plans can be adjusted to ensure an appropriate cost for a given level of use. Savings will be reflected in the monthly recharge.
- IV. Any new cell phone plans with Verizon or AT&T must be coordinated through Telecom. Please call Telecom at 545-2171 for assistance.

The University has hired Ovation Wireless to help manage the project and to ensure the best prices are negotiated with our carriers. The University and Ovation Wireless will monitor on-going cell phone usage to maximize cost savings to the campus.

13. Home Use Internet Access

High speed internet access is increasingly common in many homes and the cost is normally borne by the employee. In addition, the need to access email and other work related information or functions from home does not warrant payment by the University for home internet access. In exceptional circumstances, home internet access may be reimbursed by the University and generally will be limited to computer support professionals responsible for maintaining critical IT servers and information outside of normal job hours. Reimbursements will be limited to actual cost not to exceed the basic monthly high speed internet access rates in a particular area. Installation, equipment, connection and termination fees will not be reimbursed by the University. Tracking of personal use of a home internet service is impractical and payments for approved reimbursements will be considered taxable income to the employee. Request for home internet reimbursement must be made using the [Home Internet Service Agreement form](#) and must be approved by the Dean or Vice Chancellor.

14. Alcohol Policy for University Events

A. General Policy

The Board of Trustee Business Expense Policy states “purchase of alcoholic beverages is highly discouraged due to the expense and the potential liability involved. However, when written authorization is obtained prior to the event, purchase may be made through Food Services or their approved substitute.”

The Amherst campus has designated the Chancellor, Vice Chancellors and Deans with approval authority for purchases of alcohol at University functions. Events that include alcohol must conform to the Alcohol Beverage Policy which prohibits the serving of alcohol to individuals under the legal drinking age and requires that food and alternate beverages be provided at the event.

Caution: The purchase of alcoholic beverages is not allowed on any federal and state grants or contracts.

I. On Campus Events

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

II. Off Campus Events

Alcohol served at off campus events sponsored by the University must be served by

an insured, licensed vendor. 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.

B. Business Meals

Alcohol consumed at a business meal must be reasonable (generally not to exceed 25% of the total bill) and be served in conjunction with a meal.

15. Approval Authority and Documentation of Expenditures

A. Account Administrator

An Account Administrator is an employee given authority delegated through administrative channels by the Board of Trustees to authorize payments on behalf of the University. The Account Administrator for a specific account(s) is listed as the Manager on the Dept ID for the account on the finance system. In the absence of the department head/director or supervisor, the approving authority designation may be changed, in writing or via email, indicating such delegation. Delegation of approval authority should not create a situation where an employee is approving the expenses of their supervisor. Additionally, delegation should not create a situation where an employee is approving an expense of another employee of equal or higher position without appropriate campus authorization such as the dean, department head or director. The approval of the Account Administrator indicates the following:

- Expenses are an allowable charge to the funding source.
- Expenses are reasonable and appropriate under the circumstances and in moderation and good taste.
- Funds are available.
- Expenses meet all the requirements of the Business Expense Policy and fully documented.

B. Supervisor

A Supervisor schedules and evaluates the performance of employee(s) of whom they approve time. The approval of the supervisor indicates that:

- expenditures are necessary,
- have a clear business purpose and
- expenses are directly related to the goals and mission of the University/campus.
- When approving travel, the duties of the travel are covered.

C. Dean or Vice Chancellor

Please refer to the Approval Matrix (page 16) to determine expenses that require a Dean or Vice Chancellor's signature.

D. Delegation

In the absence of the department head/director or supervisor, the approving authority designation may be changed, in writing or via email, indicating such delegation. Delegation of approval authority should not create a situation where an employee is approving the expenses of their supervisor. In addition, delegation should not create a situation where an employee is approving an expense of another employee of equal or higher position without appropriate campus authorization such as the dean, department head or director.

E. Documentation

I. Supporting Documentation

Business expenses must be supported by a completed [business expense form](#) 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. A [business expense form](#) is required whether the expense is on a purchase order, Procard or recharge. The travel/employee reimbursement expense report serves as a business expense form. 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 valid receipt and documentation including all the following:

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

II. What is a Valid Receipt? (Change October, 2016)

An acknowledgement from the vendor that they have been paid. To be valid it must show:

- The name of the company providing the goods. (Generic or hand written receipts should be supported by a canceled check/credit card or bank statement).

- When the specific expenses were incurred.
- The unit price. (For restaurant receipts the total consumed, the tip and the tax should be itemized. Sponsored Grants should include the items consumed in detail.)
- The final amount due and acknowledgement that it was paid

Note 1: If a receipt does not indicate full payment was made additional proof of payment is required. The following are acceptable proof of payment:

- Canceled checks
- Credit Card or Bank statements showing the transaction(s)

Note 2: A missing receipt for \$25.00 or less does not require a [Missing Receipt Affidavit](#)

F. Timeliness – Travel/Employee Reimbursements

All employee expense reimbursements must be accounted for within “a reasonable period of time” of when the expense was incurred. For IRS purposes all reimbursement requests must be submitted within 60 and processed within 120 days from when the expense was incurred.

Travel/Employee reimbursement requests that are processed after 120 days will still be accepted but the reimbursement will be treated as taxable to the individual receiving payment. This will result in having taxes withheld and the amount added to the taxable gross income on the employees W-2.

G. 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	
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 14 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