



# Business Expense Policy and Procedure

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## *General Description*

### **Purpose:**

This policy sets forth requirements to be followed by employees, associates, affiliates, and other individuals (including students) and provides guidance for the appropriateness of expenses made using university funds and includes additional guidance for specific sensitive or reportable expenses.

### **Exceptions:**

The Accounts Payable team of the Business Office will respond to questions and provide guidance regarding interpretation of this policy. Any exceptions to this policy must be approved by the Vice President for Finance and Administration.

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## *Policy Content*

### **Policy Statement**

#### A. Processing Expenses

All expenses made using university funds must comply with the Tests of Propriety found in this policy.

#### B. Funding Restrictions on Expenses

If more than one regulation or policy applies to a particular transaction, the more restrictive one must be followed. For example, a principal investigator cannot authorize the purchase of first-class airline tickets on a research project because federal/state fiscal regulations prohibit first-class air travel but the University would allow under special circumstances.

#### C. Approving Expenses

All expenses using university funds must be approved. Approvers must have sufficient knowledge to evaluate the transaction, and the authority to challenge or seek further approvals for questionable transactions.

Approvers may not approve their own transactions, such as personal reimbursement, travel expenses; nor are approvers permitted to approve transactions that provide personal reimbursement for their supervisor.

#### D. Personal Responsibility

1. Individuals involved in a transaction may be held personally liable for a transaction that is made in violation of policies, laws, regulations, and rules or contract, grant and donor restrictions, regardless of when the approval occurred.
2. Employees, associates, affiliates and other individuals (including students) responsible for making expenses using university funds have an obligation to stay current in their knowledge about, and act in compliance with, applicable policies, laws, regulations and rules, and contracts, grants, and donor restrictions, regardless of when the approval occurred.
3. Employees, associates, affiliates and other individuals (including students) should provide substantiation of expenses to include the following:
  - Business Purpose – All expenses require a clear and appropriate connection to University business. General business purposes such as “lunch, business or research travel” do not provide sufficient information for this requirement. Brief detail explanations are required; an independent party should understand the business connection.
  - Detailed, itemized, legible receipts are required for the following:
    1. Any expense equal to or greater than \$50 charged to the University with a University Purchasing card (P-card).
    2. Any expense equal to or greater than \$25 if being reimbursed by Trinity as a business expense (personal credit card or out of pocket).
    3. All expenses, regardless of dollar amount, charged to a Sponsored Project.
  - Detailed receipts include the following information in order to meet the IRS requirements for acceptable documentation under an accountable plan:
    1. Name and address of the vendor
    2. Date of the expenditure
    3. Dollar amount paid
    4. Description of the purchase (including line-item detail)
  - Receipts may be imaged or of electronic origin; however, any original paper receipts should be retained, in the event there are issues with the readability of the electronic receipt, until the expense report is approved.

- Exceptions from policy or procedures must be approved by the Business Office. Approval documentation must be included with the expense report as documentation. Missing Receipts: Individuals must attempt to obtain a copy of the original receipt from the vendor. If a receipt is lost or missing for an expense that requires a receipt and cannot be obtained, a description and explanation is required when submitting the expense and a Missing Receipt Affidavit must be completed and included with the expense report. It is expected that required receipts will be submitted and that use of the Missing Receipt Affidavit will be limited. Receipts are always required for the following expenses (i.e. Missing Receipt Affidavits are not accepted):
  1. Airfare
  2. Lodging
  3. Rental Car
  4. Conference registration fees
- Credit card authorizations or statements do not provide sufficient information and are not considered valid receipts.

## Test of Propriety

These procedures are used to evaluate whether or not an expenditure is an appropriate use of university funds. The procedural statement below contains questions designed to test the propriety of expenses policy by forming an evaluation framework. An expenditure of university funds will be considered proper only if it meets all of the tests of propriety.

### A. Procedural Statement

All of the questions that follow must be answered prior to making an expenditure using university funds. In order for expenditures to be considered an appropriate use of university funds, the answer to each of the questions must be "yes."

Is the transaction -

1. For official university business?
2. In the best interests of the university?
3. The most effective and reasonable way to accomplish official university business?  
Meaning that, without the expenses, would programmatic objectives be difficult or otherwise more costly to achieve? Or would the impact, level, or quality of the achievement be reduced?
4. In compliance with applicable policies, laws, regulations, and rules; and contracts, grants, and donor restrictions including having the required approvals and authorizations.

5. Within the available resources of the responsible unit, taking into consideration all outstanding commitments and encumbrances?
6. Directly beneficial to the responsible unit where it is being charged?
7. In compliance with university conflict of interest provisions? If an employee derives private gain, or appears to derive private gain, as a result of the transaction, then the transaction violates the conflict of interest policy.

If any of these questions receives a "no", then the transaction is not appropriate for university funds. Evaluating the propriety of university expenses requires a high degree of judgement and discernment. Therefore, consider the following when deciding whether or not a particular transaction is a proper use of university funds.

- Would a university outsider, such as the general public or auditor, consider the expenditure to be a reasonable and necessary expense of university funds?
- Would you want others such as the media knowing and reporting about what you have decided?

#### B. Tests of Propriety and Immediate Family Members

Generally, family members are covered when it's appropriate to conduct university business, but not covered otherwise. Reimbursements for family members require the approval from the appropriate Vice President or the President.

#### C. Official Functions

An official function is a meeting, meal, training activity or other function that is hosted by a department, attended by guest and/or associates or employees, and held for official university business. Official functions shall be held to achieve university program objectives and shall be limited to reasonable and actual costs.

Official functions do not include events designed to sustain ordinary residential life activities, such as resident hall advisory meetings and resident hall events or activities related to external summer conferences.

The following describe the most common types of official functions. This list is intended as a guide. If an activity is not included on the list, it may still be an acceptable activity.

- Training functions are held to enhance staff knowledge or to educate employees, associates, or other individuals that are affected by the university's operations or regulations. Note: Training functions should have a written agenda, study materials, and be led by and identified presenter(s).

- Community relation functions are hosted on behalf of external entities, or are activities directly related to the educational, research or public service mission of the university.
- Appreciation and employee recognition functions that may include meals are held for the purpose of acknowledging, appreciating, or honoring employees as a means of providing an encouraging and supportive work environment.
- Multi-department functions are infrequent events or meetings involving associates or employees from more than one department. The primary purpose of the function is to conduct University business and where the specific business purpose is noted on the receipt.
- Recruitment functions are held to enlist students, new employees, including faculty or post/pre-doctorates and prospective summer conferees.
- Retirement functions are held to honor departing or retiring faculty or staff members for their university service.
- Student functions are hosted for students and are directly related to student or educational development. Examples include student recognition, student recruitment, and student programs.
- Events designed to generate alumni, donor, and business or community support for University programs where food and beverages might be catered at on or off campus locations.
- Department or division retreats.
- Occasional (not daily, weekly, or monthly) lunch meetings of only employees and/or official guests of the University. The primary purpose of the meeting is to conduct University business and where the specific business purpose is noted on the receipt

The following describe some that are not considered official functions.

- Meals when working overtime (unless staff is required to stay in the office during a meal time, i.e. registration, open enrollment, all day Admission's Committee meetings, NCAA sporting events, summer conference).
- Lunch meetings (when such meetings can be done during the work day).
- Lunches, dinners, receptions and other gatherings where the primary purpose is for University personnel (faculty, staff and students) to informally gather for social or personal purposes and not to further specific University program objectives. This includes birthdays, weddings, engagement parties, going away receptions or other "special dates" such as birth or adoption of a child. An alternative to personal gatherings can be to take a collection and make unlimited gifts to colleagues for personal celebratory gatherings.

#### D. Sensitive Items - Additional Guidelines

The [Following Table](#) serves as a quick reference to specific sensitive or reportable expenses that departments frequently inquire about. Related policies and/or conditions are identified to provide additional information and clarification.

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## Revision Management

### Revision History Log:

| Revision #: | Date:              | Recorded By:  |
|-------------|--------------------|---------------|
| v2.0        | 12/13/2022 2:55 PM | Yvonne Cortez |
| v1.1        | 8/11/2022 7:36 AM  | Holly Warfel  |
| v1.0        | 8/1/2019 10:22 AM  | Holly Warfel  |

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### Vice President Approval:

| Name:      | Title:                                      |
|------------|---|
| Gary Logan | Vice President for Finance & Administration |