



Foundation

Winthrop University Foundation, Inc. Disbursement Policy

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Purpose

This policy ensures that disbursements made by the Winthrop University Foundation, Inc. (Foundation) are consistent with the principles of good stewardship, meeting the mission of the Foundation as well as all applicable federal and state restrictions required of the Foundation. It also ensures fair and equitable treatment of all employees by defining procedures and guidelines for expense reimbursement. The Foundation assumes that individuals will use their best judgment when incurring expenses in support of University and Foundation-related business.

Overview

The Foundation disburses funds as: 1) reimbursements to Winthrop University for expenses charged to University accounts; 2) as reimbursements to individuals for approved University and Foundation expenses; and 3) as direct payments to vendors for approved University and Foundation expenses.

In order to maintain control over disbursements, any request submitted that does not comply with the guidelines of this policy will not be reimbursed, unless accompanied by a valid exception signed by the Executive Director. All disbursements have the potential for review by internal and external auditors.

When making disbursements, the Foundation considers:

- conditions attached to the gifts providing the source(s) of funds;
- governing state and federal statutes and regulations;
- the reasonable and equitable use of funds; and
- the manner in which persons of ordinary prudence would act in the management of the property of another.

The following guidelines govern all disbursements:

- The Fund Administrator (as identified in the fund Gift Agreements) is responsible for ensuring that there are sufficient monies in the applicable fund to cover requested disbursements. Monthly reports are provided to each department that administers funds. Requests from funds with insufficient available balances will not be paid.
- Use of funds must not jeopardize the Foundation's tax-exempt status.
- Individuals are prohibited from entering into a contract bearing the name of the Winthrop University Foundation or charging expenses to an account in the name of the Foundation.
- No expenditure - direct or indirect - may be made for political contributions, personal dues to social clubs, or to pay fines or penalties.
- **The Foundation will not purchase capital assets on behalf of the University.** A capital asset is defined as a unit of tangible property that: (1) has an economic useful life of more than 12 months; and (2) was acquired or produced for a cost of more than \$5,000. Such purchases must be made by the University, following University guidelines, and may be eligible for reimbursement by the Foundation if they meet the other general requirements regarding disbursements.
- **The Foundation only makes disbursements for actual, allowable costs.** The Foundation does not make disbursements based on estimates or quotes, nor does it provide cash advances or per diems for travel expenses.
- **The Foundation is required to pay sales tax for the purchase of tangible goods.** When submitting invoices for direct payment to vendors, the individual submitting the disbursement request is responsible for ensuring that sales tax has been appropriately included on the invoice.
- **Disbursement requests must be submitted within 30 days of incurring an expense.** WUF operates on a calendar year basis (December 31st year end). At year-end, all requests are due by January 31st of the subsequent year. Late requests cannot be processed and will need to be funded through other sources.

- **The Foundation makes disbursements on the 10th and 25th of each month.** Requests should be submitted at least 3 business days in advance to be included in the next available check run.
- **All vendors must have a current IRS W-9 on file before payment can be submitted.** It is the responsibility of the individual submitting the disbursement request to ensure that a W-9 is on file or is included with the disbursement request.
- An employee should neither gain nor lose personal funds as a result of incurring expenses on behalf of the University or Foundation. **If the Foundation pays a reimbursement for any expense that is subsequently fully or partially refunded, the employee is required to notify the Foundation and remit any refunds or credits back to the Foundation.**
- The expenditure is a usual and customary business expense that furthers the mission of Winthrop or WUF.
- The request is in compliance with the established purpose of the fund and with Foundation reimbursement policies.
- **The expenses have been approved by the University, as required by policy and have not been reimbursed or paid from any other source.**

Responsibility

Department Managers

Department Managers should be familiar with the Disbursement Policy and inform their staff of the correct guidelines and procedures. They should be able to determine if expenses are necessary to achieve the goals of the University and Foundation and should only approve expenses in accordance with the policy.

Employees

Employees should exercise care in determining expenditures and should only incur expenses that are consistent with appropriate business needs. They are responsible for providing all required documentation and securing appropriate approvals before incurring expenses.

Disbursement Request Procedure

All requests for disbursement must be submitted to the Foundation using a Disbursement Request Form (WUF-D) and must include appropriate documentation of expenses and authorized approvals. Examples of required documentation are included in the sections of this policy regarding specific eligible expense types and in the WUF-D Quick Guide.

WUF-D requests should be complete and approved before being submitted. Detailed descriptions of expenses should be included on the form.

For reimbursement requests, multiple expenses for the same payee can be documented on the same WUF-D, provided that they are clearly documented and itemized.

When making purchases that will be submitted for reimbursement (such as supplies and materials), do not include personal (non-reimbursable) expenses in the same purchase transaction. Receipts submitted for reimbursement should only include items eligible for reimbursement.

Original invoices and/or receipts must be submitted.

- If you are missing a required receipt, please contact the merchant to obtain a copy.
- If an original receipt is not available after contacting the merchant, a detailed explanation must be provided.
- Receipts should be dated and have the vendor's name pre-printed on them.
- Receipts should be taped to a sheet of letter-size paper and attached to the WUF-D.

Invoices and receipts should always be itemized, clearly indicating the nature of the expense.

- Hotel bills must be itemized, with business expenses indicated.
- Receipts for meals must include both the itemized copy and the summary copy that shows tip and signature. Individuals should clearly indicate the names of all who attended the meal, their relationship to Winthrop, the business purpose and the expected benefit to the university. IRS regulations require detailed information for such reimbursement. Page 2 of the WUF-D form (WUF-D2 Food/Beverage Expense Documentation) can be used to provide details for meals and events that include catering expenses.

Reimbursable Expenses

General Operating Expenses

Required Documentation: Detailed invoice or receipt
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Operating expenses may include items such as tangible goods, materials and supplies; professional and contractual services; fees for professional memberships and conferences; marketing and advertising; and honoraria. Provided they meet all of the other criteria for reimbursement eligibility, the Foundation will reimburse such expenses regardless of whether they are paid by the University or by individuals.

All eligible employee, contractor and student expenses that would normally be paid by the University through payroll or student accounts (such as salaries, stipends, awards and scholarships) must be paid directly by the University and reimbursed by the Foundation.

Travel Expenses

All travel reimbursements will follow current state and University guidelines. Employee travel and the associated expenses will be authorized only in circumstances which are clearly consistent with the mission of the University and the Foundation. It will be the responsibility of each department manager to ensure that all employee travel meets this objective and that reimbursement is made only for actual, reasonable business expenses in connection with authorized travel as defined in this document.

Travel expenses are only reimbursed at actual allowable cost. The Foundation does not provide cash advances and does not pay a per diem for travel expenses.

Employees should make their own reservations and pay for them personally, then submit a request for reimbursement upon completion of the travel. When significant travel expenses are required to be paid well in advance of actual travel (such as making airline reservations early to secure the best rate), the Foundation will consider requests for reimbursement in advance of the actual travel.

The Foundation's insurance does not provide coverage for reimbursable travel expenses incurred by University employees, including use of personal vehicles, rentals, airfare, etc. University employees are responsible for ensuring that they have appropriate coverage per University guidelines.

Transportation, meals, lodging and other travel costs for **non-business** guests are not reimbursable. Accommodations for personal guests (such as a child car seat) should be arranged and paid for by the employee.

If a trip is extended for personal reasons, expenses incurred for that portion of the trip are not reimbursable. This includes, but is not limited to: vehicle rental days, additional mileage or ground transportation fees, parking fees and tolls, hotel expenses and meals.

Transportation

The most cost-effective, safe, and efficient transportation is to be used. Reimbursement rates will follow State of South Carolina guidelines.

- ***Air travel***

Required Documentation: A copy of the fare confirmation receipt

Travelers are expected to book coach class airfare unless a medical condition necessitates upgraded travel (physician's note and advanced authorization are required). Personal miles or coupons can be used to upgrade to first class, or a traveler may opt to pay personally for the price difference between coach and first class.

Travelers are responsible for managing their own frequent flyer accounts. Airline miles earned while traveling on Foundation business are retained by the traveler. Frequent flyer miles or benefits are not reimbursable by the Foundation, even if they are used on Foundation or University business. Airline club memberships are not reimbursable by the Foundation.

Deliberately causing increased costs for the purpose of obtaining personal gratuities, such as denied boarding compensation, frequent flier points or mileage, or similar benefits is prohibited. Conversion of airline tickets for personal benefit, such as downgrading tickets, returning unused tickets for cash, credit, or personal airline tickets, or similar actions is also prohibited.

Airfare charges may include normal and customary baggage charges, such as one standard carry on and one standard checked bag. Employees will only be reimbursed for excessive baggage charges when: 1) traveling with heavy or bulk materials or equipment necessary for business; or 2) traveling for more than fourteen (14) days.

- ***Auto rental***

Required Documentation: A copy of the rental agreement showing rental amount; receipts for fuel costs

In general, a non-luxury, midsize car is preferred; however, the size and type of the rental car should be appropriate for the number of people in the car and the road conditions on which it will be used.

- ***Use of personal vehicle***

Required Documentation: WUF-E Expense Report

When employees use a personal vehicle on approved University business, the Foundation will reimburse mileage at the current rate authorized by the University (included on the WUF-E Expense Report). The automobile mileage allowance assumes coverage of all transportation and operating costs including gas, oil, towing charges, repairs, auto insurance and damages.

Employees using a personal vehicle for approved business purposes do so at their own risk and should maintain their own personal insurance coverage.

Employees will not be reimbursed for vehicle repairs, rental car costs during the repair of a personal vehicle, tickets, fines, or traffic violations, damages to personal vehicles, or theft of personal vehicle and/or vehicle contents.

- **Tolls and parking**

Required Documentation: Dated receipts

Tolls and parking paid by the employee while traveling on University or Foundation business are reimbursable expenses.

- **Other ground and local transportation**

Required Documentation: Dated receipts are requested for all ground transportation and are required for fares in excess of \$25; use WUF-E Expense Report when receipts are not provided.

Use of other ground and local transportation such as trains, subways, buses, taxis, Uber/Lyft and shuttles is often economical and receipts are generally available and should be obtained. Gratuities for these services should be indicated on the receipt and are a reimbursable cost.

Lodging

Required Documentation: Itemized hotel bill (folio) and any other applicable receipts.

Business related costs assigned to the hotel bill (folio) such as business phone charges and business internet access are allowable. However, personal entertainment expenses such as in-room alcoholic beverages, in-room movies, and recreational activities are not allowable.

If it becomes necessary to cancel the lodging reservations, it is the responsibility of the employee to cancel hotel reservations within the hotel cancellation policy time frame. Fees assessed due to the employee's failure to properly cancel are not reimbursable by the Foundation.

It is acceptable to pay for multiple employees lodging on a single check; however, itemized bills are still required for each room.

No reimbursement for overnight accommodations will be made within 50 miles of the travelers' office and/or residence.

Lodging may be shared with non-business guests, but expenses incurred for non-business guests will not be paid by the Foundation. Accommodations for personal guests such as different room types, extra rooms, and other special amenities should be arranged by the employee. Lodging reimbursement shall be at the single room rate regardless of the number of occupants when only one traveler is on Foundation business. Any additional rate difference will be the responsibility of the employee at checkout.

Meals and Beverages

Required Documentation: Receipts with both the itemized copy and the summary copy that shows tip and signature. Individuals should clearly indicate the names of all who attended the meal, their relationship to Winthrop, the business purpose and the expected benefit to the University. Include page 2 of the WUF-D form (WUF-D2 Food/Beverage Expense Documentation) as appropriate.

In order to be reimbursed by the Foundation, the IRS must consider meal expenses deductible business expenses. The expense must be incurred for a clear business reason and must not be lavish or extravagant.

It is important to judge all expenditures in light of our responsibility to the public and our donors.

Meals consumed while not traveling are not normally reimbursable by the Foundation. This includes meals consumed locally (e.g. breakfast eaten in Rock Hill prior to traveling out of town). The IRS allows certain exceptions:

- An employee has a meal with a prospective donor or volunteers
- An employee has a meal with a representative of an external business related organization to discuss matters of benefit to the University
- An employee has a meeting with a Winthrop University business purpose and the meal is consumed during that meeting
- A unit or department-wide holiday party or a picnic for employees
- The cost of a meal for a spouse may be reimbursable if there is a clear business purpose, rather than a personal or social purpose for the spouse's attendance (the tax standard allows for reimbursement if it is "impractical to entertain for the business purpose without the spouse")

The IRS does not consider the following meals reimbursable:

- Meals furnished to promote goodwill or boost morale
- Meals that have no business benefit to the University
- Meals for non-business guests

Gratuities

Gratuities will be reimbursed for up to 20% of the bill before sales tax.

Meals during travel

The Foundation will reimburse employees for regular meals they personally take during business travel. The daily maximum for travel meals is \$70 per day and is based on actual expenses with receipts. The limits include all food and beverages before tax and gratuities and are as follows:

- \$15 breakfast
- \$20 lunch
- \$35 dinner

Engagements for conducting business (both local and during travel)

In addition to general travel meals for employees, the Foundation will also reimburse for certain engagements that occur either locally or during travel. These meals or other social meetings involve individuals external to the Foundation or University and are allowed for the purpose of conducting official business matters, entertaining and cultivating donors, and engaging with significant stakeholders for the benefit of the Foundation or University. The cost of the meal should be reasonable and prudent based on the type, place, and business purpose of the engagement.

The Foundation will reimburse a maximum of \$75 per person per business meal (before tax and gratuities); this amount includes no more than \$25 per person for alcoholic beverages. Please see "Alcoholic beverages" for further restrictions on alcohol purchases.

Alcoholic beverages

Reasonable and prudent alcoholic beverage expense may be reimbursed by the Foundation when hosting engagements for conducting business (as noted in the section above). Other alcohol-related expenditures are not reimbursable. Employees should be responsible in how much is consumed and/or provided. Purchase of alcohol for students is allowed if the student is at least 21 years of age.

The maximum allowable reimbursement for alcohol is \$25 per person, per engagement.

If alcohol is consumed during a meal, the alcohol limit is included in, not separate from, the total meal expense limits as defined within these policies. The Foundation will reimburse for alcohol purchased outside of mealtime (such as having cocktails at a bar); however, the limit of \$25 per person still applies.

Gifts

Required Documentation: Itemized invoice or receipt showing value per gift and documentation indicating who received the gifts and their acknowledgement of accepting the gift.

In accordance with IRS regulations, gifts for Winthrop employees must have a value of \$25 or less to avoid designation as taxable income to the employee.

- Gifts for significant occasions such as retirement may be eligible for exception to these regulations but must be approved in advance. Please contact the Foundation office for additional information regarding these types of gifts **prior to incurring the expense.**

The Foundation is unable to purchase or reimburse for gift certificates or gift cards.

Non-reimbursable expenses

All expenses are reviewed for appropriateness to the business function of the University and its related entities. Non-reimbursable expenses include, but are not limited to, the following:

- **Expenses that do not comply with the restrictions of the requested funding source**
- **Expenses incurred in a prior calendar year once the year end has been closed**
- Airline club dues
- Airline upgrades
- Hotel frequent-stayer clubs
- Rental car club membership fees
- In-room or in-flight movies
- Fines for traffic violations
- Parking citations
- Other fees/fines due to employee negligence
- Air or personal cell phone charges, except in emergencies
- Costs of commuting to/from work/home
- Personal travel expenses
- Insurance on life or personal property while traveling
- Personal items
- Expenses for family, child, pet, home and property care while on a trip
- Lost/stolen items, travel expenses for children/spouse/companions
- ATM/Cash Advance fees

**If you have any questions or need more information about this policy,
please contact the Foundation office at wuf@winthrop.edu or at
803-323-2229.**