

UNIVERSITY BUSINESS EXPENSES AND PETTY CASH FUNDS

PURPOSE

To define Westfield State University business expenses not pertaining to travel, provide a policy for timely reimbursement of expenses incurred on behalf of the University, and to meet auditing requirements.

DEFINITIONS

“University business expenses” refers to expenditures made on behalf of the University for Reasonable Business Purposes.

“Reimbursable University business expenses” refers to expenditures made on behalf of the University for which the individual is entitled to a reimbursement.

“Petty Cash Funds” refers to reimbursable expenditures made from an approved University cash-on-hand account that is maintained specifically to cover allowable, small dollar amount expenditures where reimbursement is made to make the petty cash account whole.

“Allowable” refers to those expenditures allowed under University policies.

POLICY

A. Statement

1. University business expenses must comply with all applicable statutes, regulations, policies, and procedures which include, but are not limited to, the Board of Higher Education – Standards for the Expenditures of Trust Funds.
2. It is University policy to make payment/reimbursements for allowable expenses incurred on behalf of the University documented by original, itemized receipts. An **original** itemized receipt identifying the vendor, what was obtained, date, detailed cost, and purpose of expense, is required.
3. To request reimbursement, the **Authorization-to-Pay form** must be submitted with the **original** receipts attached. (Reimbursement for travel-related expenses requires a **Travel Reimbursement form** and cannot be charged to any petty cash funds.)
4. The University is exempt from paying sales tax and therefore does not normally reimburse for this component of an expense. Employees and students making purchases on behalf of the University must make every effort to avoid paying sales tax by presenting our Form ST-2 Certificate of Exemption to each vendor. This

certificate is widely available – it is given to all campus constituents who request use of University retailer-specific procurement cards, and it is also available in the Documents site on myWestfield. This tax-exempt certificate must only be used for University business purposes. Any other use is considered fraudulent.

B. Controls

1. Reimbursement Timeliness:

- a. Requests for reimbursement must be made within 45 calendar days of the expense with one exception for year-end expenditures. Expenses not submitted with proper documentation within 45 days of incurrence will not be reimbursed by the University.
- b. Fiscal year-end (June) expenditures must be submitted no later than July 15th in order to guarantee reimbursement. To avoid problems with year-end reimbursements, expenditures should be planned well in advance of the year-end deadline.
- c. The Accounts Payable office will process reimbursements within 30 days of receipt.

2. Business Meals:

- a. Meals are considered a business expense only when they are part of a meeting or activity with a non-University associate and when a clear and specific business discussion takes place. An example of a business meal is taking a candidate for employment to dinner during the interview process. A **Business Meals form**, found on the Documents site of myWestfield, is required for each meal. An original itemized receipt is required. Gratuities are limited to 20% of food costs only (plus alcohol if applicable); tax on food must not be included in gratuity calculation.
- b. A reasonable cost of meals for official University-sponsored events may be permitted based on moderate limits established by the Board of Trustees. All such expenditures must include the purpose and number of attendees.
- c. Food and/or beverages for on and off-campus department meetings, retirement gatherings or similar expenses are not permitted.
- d. Alcohol is an allowable expense in limited situations for the benefit of the University providing the expense is incurred in the recruitment of employees, donor cultivation or other comparable activities. Only the President, Vice President for Institutional Advancement and Major Gift Officers are authorized to purchase alcohol. The preferred method of payment is with the procurement card (P-Card) but reimbursement of expenses incurred on a personal credit card is also allowable.

3. Equipment

Any equipment purchase made directly by an employee or student cannot be reimbursed. A purchase order must be issued to the vendor for equipment purchases to ensure proper inventory control. This is consistent with the Fixed Assets, Capitalization, and Inventory Control Policy (0601).

4. Contractor/Vendor Business Expenses

Contractors, vendors, and suppliers will only be reimbursed for pre-approved travel and other business expenses in accordance with their signed Contract for Services and all University policies and procedures.

ENFORCEMENT

This policy applies uniformly to all University employees. The Vice President for Administration and Finance will be responsible for consistently enforcing all travel, expense reimbursement, P-Card, and related expense policies.

TRAINING AND COMMUNICATION

The Administration and Finance Division will offer training documents for complying with expense payment policies as needed. Individual, department, or university-wide training sessions will be offered based on demand. Additionally, this policy will be communicated with the campus via email no less than two times per calendar year.

REVIEW

This policy will be reviewed annually by the Vice President of Administration & Finance and by the Finance and Capital Assets Committee of the Board of Trustees.