
ALLOWABLE USE OF FUNDS

Category: Administration and Governance
Responsible Office: Financial Management
Responsible Executive: Vice President for Finance and Administration

Date Established: to be determined
Date Last Revised: 08/28/17

Summary

The University at Buffalo allows for the use of State, University at Buffalo Foundation, Inc., and Research Foundation funds for the payment of reasonable and appropriate expenses incurred while conducting official university business.

Policy

POLICY STATEMENT

The University at Buffalo (UB, university) is entrusted with funds provided by various constituencies. Employees who incur or approve expenses must exercise prudent judgment to ensure that the expenses are for legitimate university business and comply with the appropriate allowability criteria. Employees are responsible for ensuring the appropriate use of funds within the constraints of limited resources.

The *Allowable Use of Funds Policy* governs the payment of expenditures incurred or approved by employees on behalf of the university. All expenditures funded with State, University at Buffalo Foundation (UBF), and Research Foundation (RF) accounts must be appropriate, reasonable, allowable and allocable; they also must support the education, research, and public service missions of the university.

All university departments must implement a system of supervisory checks and balances to ensure expenditures always meet university interests. Expenditures paid from various funding sources are subject to specific requirements for use. Details regarding the use of State, UBF, RF, and RF Sponsored funds are found in the *Allowable Use of Funds Chart*. The appropriate funding source is determined by the type of the expense, not by the employee's source of payroll. Units may apply this policy more restrictively where budget and other factors are considered. Additional restrictions established at the operating unit level supersede this policy and corresponding chart.

Research Foundation Sponsored Funds

The terms and conditions of a sponsored award dictate the use of RF funds derived from that sponsored award. Each awarding mechanism, such as grant, contract, or cooperative agreement, is issued with guidance on the use of the funding. Expenditures for sponsored activity must be allowable, reasonable, and allocable to the project.

Each sponsor provides unique terms and conditions for their award classes or sponsored programs. To ensure compliance with sponsor terms, faculty and staff may contact Sponsored Projects Services (SPS) when unsure about the terms that govern their sponsored awards. Expenditures

deemed unallowable by the sponsor or an auditor will be treated under the [*Financial Responsibility for Sponsored Projects*](#) policy.

Prior approval and/or justification may be required for the following expenditures:

- Equipment purchased during the last year of project funding
- Consumables purchased in the last 30 days of the award
- Purchases of general use supplies/equipment
- Payroll cost transfer activity and retroactivity

Expenditures in excess of the approved project budget require use of non-sponsored funds. In these instances, the RF Non-Sponsored guidelines are applicable.

Reimbursement Maximum

The maximum allowable amount for individual reimbursement is \$2,500 for any single item or total aggregate cost (excluding travel). Requests in excess of this amount should follow the procurement guidelines.

Food and Beverage

When incurring expenses for the purchase of food and beverages categorized as “Internal Business Meals” on the corresponding *Allowable Use of Funds Chart*, reimbursement is limited to the per diem as determined by U.S. General Services Administration. <https://gsa.gov/portal/content/101518>

Amounts in excess of per diem limits are considered an exception and require the appropriate exception approval.

A maximum gratuity charge of 20 percent of the pre-tax total is permitted.

Alcoholic Beverages

State and RF funds may not be used to pay for alcoholic beverages. RF sponsored funds may be used for alcoholic beverages only if specifically approved by the sponsor. Per person reimbursement for alcoholic beverages is restricted to the lesser of the cost of two alcoholic beverages or \$15. Alcohol reimbursements must be supported by an itemized receipt.

Sales Tax

Best efforts should be made to use the New York State (NYS) sales tax exemption certificates. Reimbursement for sales tax expenses will be considered on a case by case basis when the expense appears to be otherwise unavoidable.

Request Reimbursement

Three options to request reimbursement/payment of allowable expenses are available:

- Complete an expense reimbursement request via the appropriate form or system, obtain the appropriate approvals, attach applicable documentation, and submit to the appropriate business office.

- Complete an e-Req, attach the applicable documentation, and submit the transaction through the appropriate approval process.
- Utilize a PCard for purchases made directly from a store or vendor. The State and RF PCard cannot be used for dining in restaurants.

Documentation

Documentation must accompany payment requests and include the following:

- original (paper or digital) receipts or itemized invoice
- description of university business purpose
- location of the event
- names of the participants and their affiliation to UB
- brochure, program, or agenda related to the event
- name of the individual to be reimbursed, if appropriate.
- exception approval form, if applicable

In addition to the items listed above, gift card expenses for student subjects require Institutional Review Board (IRB) approval and tax documentation (W9's) for all cards issued in excess of \$50.

Exceptions

Special circumstances may allow for exceptions on a case by case basis. An exception request must be initiated at the departmental level. All policy exceptions require pre-approval (requested with reasonable notice) from the Unit Business Officer (UBO) or the RF Operations Manager (OM) (for SPS and RF funds). The approver of the exception must not have been in attendance at or have incurred, in any way, the subject expenditure. To the extent that the UBO or OM was in attendance or personally incurred the subject expenditure, the approval must be advanced to the next highest approval authority.

All exceptions to the terms of sponsored activities require strong justification and prior approval from the sponsor. Requests must be made through SPS.

BACKGROUND

Individuals making decisions concerning expenditures of university funds have a fiduciary responsibility to ensure compliance with federal, state, and local regulations while supporting the university's missions of education, research, and public service. The subject policy serves to provide strict rules around that decision making process.

APPLICABILITY

This policy applies to all university faculty, staff, or student employees who make decisions regarding the use of funds for the purchase of food, beverages, gifts, admission/registration fees, and professional memberships.

Separate policies govern the allowable use of funds for specific purposes:

- The Travel Guidelines detail the allowable use of funds when in travel status.
- Equipment purchases must be secured via the appropriate procurement guidelines and policies.

DEFINITIONS

Allocable – the amount of expense for goods or services which can be charged to (or allocated to) a particular unit, activity, or function because the goods or services provide a commensurate benefit to that unit, activity, or function.

Allowable – an expense is allowable when it is permissible to charge it to a particular source of funds. Expenses may be deemed allowable by law or regulation; by external parties such as donors or sponsors; or by university policy.

Approver – individual with the authority to approve a business expense or transaction.

Business Expense – charges for goods or services, whether paid, committed, or accrued, that foster or support the ongoing missions of the university.

Business Entertainment - The primary purpose of business entertainment is to further business relations. Business entertainment is smaller in scale, includes a small number of people, and is fairly low cost. Examples include business lunches or dinners, tickets to athletic, cultural, or other events.

Business Meal – A meal attended by faculty, staff, or students, which may or may not include individuals from outside UB, at which a substantive and bona fide business discussion takes place.

Business Purpose- in support of the goals, objectives and mission of the university.

External Beneficiaries- individuals who benefit from goods or services paid for with UB funds but do not have a defined affiliation with the university.

Guest- person(s) invited to visit the university or take part in a function organized by the university. The guest visit must be related to a business purpose and support the mission of the university.

Immediate Family- The spouse, children (son or daughter), and parents of a staff/faculty/student employee.

Internal Beneficiaries- individuals that benefit from a good or services paid for with UB funds while maintaining the status of faculty, staff, student, student employee, appointed volunteer or honoraria.

Reasonable – those costs which a prudent person would have incurred under the circumstances prevailing at the time the decision to incur the cost was made; consider how the public would view the expense if reported in the media.

RF Funded Revenue (also called indirect costs)– funds generated through the recovery of indirect (facilities and administrative (F&A)) costs charged on sponsored accounts, and distributed per the campus Financial Plan.

Responsible Executive – the vice president/vice provost/dean or their designee with authority over and responsibility for the unit.

State Funds – includes State Operating, Income Fund Reimbursable (IFR), State University Tuition Reimbursable Account (SUTRA), and Dormitory Income Fund Reimbursable (DIFR) funds.

RESPONSIBILITY

Deans, Vice Presidents, Vice Provosts and University Business Officers

- Account for all expenditures that fall within the scope of their budgetary jurisdiction.

Employee (Faculty, Staff, Student Employee)

- Exercise reasonable judgment when making a decision to incur an expense on behalf of the university. Refer to the *Allowable Use of Funds Chart*, when applicable.
- Use the appropriate tax exemption form when making a purchase.
- Obtain pre-approval for all exceptions to policy.

Responsible Executive / Principal Investigator (PI) / Authorized Approver

- Review and approve requests for the use of university funds in conjunction with this policy.
- Verify that the expense is reasonable, allowable, and allocable; consider how the public would view the expense if reported by the media.

Responsible Office

- Determine the appropriate funding source(s) for payments.
- Complete the appropriate paperwork and provide all required documentation; forward to the responsible executive / PI for approval.

Unit Business Officer, Research Foundation Operations Manager

- Review, and approve as appropriate, all expenditure exceptions.

Accounts Payable Representatives

- Ensure proper documentation is included with each request.
- Investigate transactions that do not appear to be reasonable.
- Act as a consultant to university employees seeking guidance on the reasonableness of requests.
- Process transactions for payment.

Internal Audit

- Conduct ongoing reviews of all university expenditures to maintain compliance with internal policies and external requirements.

Contact Information

State

Karen Buchheit
Travel Services Financial Management
Phone: 716-645-4528
Email: kmb36@buffalo.edu

RF

Brendan Davis
Non Sponsored RF Accounting and Financial Reporting
Financial Management
Phone: 716-645-2602
Email: brdavis2@buffalo.edu

UBF

Rose Dommer
Accounts Payable Manager
UB Foundation
Phone: 716-645-8749
Email: rdommer@buffalo.edu

Related Information

University Links:

Allowable Use of Funds Chart:

<http://www.buffalo.edu/administrative-services/managing-money/finance-guidelines-policies/food-and-beverage-guidelines.html>

eReq link: https://myub.buffalo.edu/workflow/pw/reg_scripts/client.cgi?process_type=ereq

Approval Authority Policy: <http://www.buffalo.edu/administrative-services/policy1/ub-policy-lib/approval-authority.html>

Travel for Business <http://www.buffalo.edu/administrative-services/business-travel.html>

Managing Procurement <http://www.buffalo.edu/administrative-services/managing-procurement.html>

P-Card Guidelines <http://www.buffalo.edu/administrative-services/managing-procurement/pcard0.html>

Forms:

New York State Tax Exemption Form (AC946): <http://www.buffalo.edu/administrative-services/forms-catalog/finances/tax-exempt-certificate-for-nys-ac946.html>

RF Tax Exemption Form:

<https://www.business.buffalo.edu/ubbContent/Forms/gc/excert.pdf>

RAP (Reimbursement/Advance Payment) Form:

<http://www.buffalo.edu/administrative-services/forms-catalog/finances/reimbursement-advance-request.html>

Related Links:

GSA Per Diem Listing (including lunch) <https://gsa.gov/portal/content/101518>

Uniform Guidance replaced eight OMB Circulars, including A-21, A-110, and A-133.

<http://www.research.uci.edu/uniform-guidance/index.html>

SUNY Unrestricted Fund Expense Policy

http://www.rfsuny.org/media/RFSUNY/Policies/unrestricted_fund_expense_policy_pol.htm

Public Officers Law 73a

<http://jcope.ny.gov/training/JCOPE%20POL%20W%20Page%20Numbers.pdf>

Presidential Approval

Satish K. Tripathi, President

Date

Allowable use of Funds-Funding Source Allowability

Expense Type	Purpose	Details	Funding Source by Expense			
			State Funds	UBF Funds	RF Non-Sponsored	RF Sponsored (1)
Food and Beverage Expenses	Hosted Business Meals: Provided to for the purpose of external beneficiaries at events related to UB's mission of education, research, and public service. The ratio of UB to non-UB attendees must be appropriate to the circumstances of the event.	Hospitality on behalf of visiting dignitaries and speakers, performing artists and community leaders.	Y	Y	Y	Y
		Alumni events	N	Y	N	N
		Donor events where the primary purpose is the cultivation and stewardship of existing or prospective donors.	N	Y	N	N
		Parent Days/Weekend	Y	Y	N	N
		Events to enhance relationships with the community surrounding our University which we seek to draw resources from, or foster mutual understanding, trust, and support.	N	Y	N	N
		Recruiting- meals at which faculty, staff or a professional/graduate student interview candidates are hosted. Meals may be provided for the candidate, the spouse of the candidate and University employees involved in the decision making process and their spouse/partner to the extent that they are necessary to facilitate interaction, directly benefiting the university.	Y	Y	Y	Y (2)
	Student Meals: Provided with the primary beneficiary being current or prospective students. The event must contribute to the academic mission of the University. The ratio of student to faculty/staff in attendance must be appropriate to the circumstances of the event. At least one faculty/staff must be in attendance.	Events to support student curriculum or promote student morale, retention, recognition and student life activities. Expenditures must support the purpose of the program.	Y	Y	N	N
		Student club/organization meetings/events with faculty/staff.	Y	Y	N	N
		Commencement Ceremony	Y	Y	Y	Y

Allowable use of Funds-Funding Source Allowability

Expense Type	Purpose	Details	Funding Source by Expense			
			State Funds	UBF Funds	RF Non-Sponsored	RF Sponsored (1)
Food and Beverage Expenses	Internal Business Meals: Food and beverages provided to internal beneficiaries with the primary purpose of the event to involve substantive business discussion or to build employee morale. All meal reimbursements for faculty/staff are restricted to applicable per diem rates found on the GSA website.	Workshops/Seminars/retreats/strategic planning (happens over a mealtime and promotes continuity). The event must be occasional (not more than monthly). The agenda time must not otherwise offer the opportunity for an independent meal.	N	Y	N	N
		Professional development/training. Must be infrequent (occurrences happen with wide intervals of time between), non-routine and include an outside speaker(s)/presenter who provides subject matter expertise not otherwise available within the sponsoring unit.	Y	Y	Y	N
		Staff appreciation/recognition/professional achievement and employee relations events to build morale. The activities must be equitable to all employees. Such events must be not more than monthly.	N	Y	N	N
		Work beyond normal business hours, if schedules require employees to work over a mealtime, the reasonable cost of a meal is permissible.	N (4)	Y	N	N
		Occasional food and beverages for University staff, when they are engaged in routine business discussions during normal business hours/meetings (staff meetings). Generally, "Occasional" would be not more than monthly, this should be tracked and adhered to by the office requesting reimbursement.	N	Y	N	N
		Holiday parties (must be modest and reasonable), new employee welcome & retirement recognition.	N	Y	N	N
		Personal celebrations (birthday, wedding, administrative professional's day etc.)	N	N	N	N
	Sponsored Meals: Food and beverages, when required for performance of a sponsored project, and is allowed as a direct cost to the project.	Provided to human subjects required to remain on site for several hours as part of their participation in a study. The purchase of food and/or beverage must be necessary for the effective performance of the project.	Y	Y	Y	Y
		Juice or light snack provided to human subjects participating in a study where blood is drawn as necessary for the technical conduct of the project.	Y	Y	Y	Y
		Lunch and/or light snacks provided to individuals involved in all-day or major-portion of the day training sessions in order to fulfill project requirements.	Y	Y	Y	Y
		Provided to non-UB project personnel involved in recruiting community participants/students.	Y	Y	Y	N

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Expense Type	Purpose	Details	Funding Source by Expense			
			State Funds	UBF Funds	RF Non-Sponsored	RF Sponsored (1)
	Tips and delivery charges when related to allowable food and beverage purchases.	Limited to 20% of the pre-tax total bill.	Y	Y	Y	Y
	Alcoholic beverages and license fees	Per person reimbursement for alcoholic beverages will be restricted to the lesser of the cost of 2 alcoholic beverages or \$15. RF sponsored funds may only be used if specifically approved by the sponsor. Applicable to all meal types (Hosted Business Meals, Student Meals, Internal Business Meals & Sponsored Meals). Itemized receipt is required. License fees are not included in the \$15 per person limit.	N	Y	N	Y
Gifts	Gift in recognition of a university faculty, staff or student leaving the unit.	A suggested guideline is \$10 for every year of service.	N	Y	N	(3)
	Flowers or equivalent in conditional circumstances and in a reasonable amount.	a faculty, staff or student is hospitalized due to serious illness or injury	N	Y	N	(3)
		a faculty, staff retires	N	Y	N	(3)
		a faculty, staff or student, or a member of his/her immediate family (spouse, child or parent) passes away.	N	Y	N	(3)
	As recognition to donors, members of governing boards, volunteers and University supporters, speakers	Must not exceed a reasonable hourly rate for services provided based on the caliber of the individual and the content/complexity of the service.	N	Y	N	N
	Gift Cards	As consideration for non-UB faculty/staff to incent participation in studies, research or surveys that support the mission of the university. Participants must not otherwise employed by the University. Appropriate tax forms (W-9) is required for all amounts \$50 or greater.	Y	Y	Y	(3)
		Gift cards to UB faculty/staff	N	N	N	N
Clothing	University branded materials worn by faculty/staff/student employees to assist in easily identifying them as representing the university. Must have a defined business purpose and cannot be designated as a gift.	Orders must be tied to a specific university events.	Y	Y	Y	(3)
	Commencement cap/gown rental or purchase	Provided to representatives asked to participate in the commencement ceremony on behalf of the university	N	Y	Y	(3)

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Expense Type	Purpose	Details	Funding Source by Expense			
			State Funds	UBF Funds	RF Non-Sponsored	RF Sponsored (1)
Registration	Admission to non-university charitable functions and events which have a clear mission, outreach or business-related purpose.	The function must benefit a 501c3 (evidence required) the primary purpose must be to raise money for a cause, charity or non-profit organization. UB does not condone supporting specific religious or political organizations.	N	Y	N	(3)
	Registration/Admission to business function events.	Must have a clear mission, outreach or business-related purpose. Excludes recreational/social events such as golf, happy hours, boat cruises etc.	Y	Y	N	(3)
	Tickets to sporting, theater, music and student events/activities	As development/donor relations activities to promote a relationship that benefits the university.	N	Y	N	(3)
		As part of a program of academic study.	Y	Y	Y	(3)

Allowable use of Funds-Funding Source Allowability

Expense Type	Purpose	Details	Funding Source by Expense			
			State Funds	UBF Funds	RF Non-Sponsored	RF Sponsored (1)
Memberships	Stores Membership/Subscriptions (BJ's, Sam's club)	Membership must be used to support university business needs and must result in overall cost savings. Limited to one employee per unit.	Y	Y	N	(3)
	Professional organizations/societies membership fees	Membership fees to professional organizations or societies, pertaining to the employees specific position, for the purpose of continuing education or networking.	Y	Y	Y	(3)

(1) All expenses funded via the RF Sponsored account must be approved according project sponsorship parameters.

(2) Must be related to a "to be named" position

(3) Varies based on the terms of the award. Contact Sponsored Projects Services staff.

(4) Specific state funds do allow for meals to be provided to campus life employees when the students directly benefit from their service (opening/closing for residence halls).