

Doc. T92-031 (Appendix C)
Passed by the BoT
6/3/92

BUSINESS EXPENSE POLICY

The Business Expense Policy applies to expenses incurred by a duly authorized University of Massachusetts employee or Trustee who incurs expenses in the process of conducting University business. Campuses may establish further guidelines and procedures within the scope of University policies regarding business and entertainment expenditures. Campus guidelines may be more, but not less, restrictive.

General Policy

- Expenditures must be a necessary expense of the organization and an allowable charge to the funding source.
- Expenses must have a clear business purpose and be directly related to the goals and mission of the University/campus.
- Expenses must be reasonable and appropriate under the circumstances and in moderation and good taste.
- An individual's travel status does not affect reimbursement for business expenses.
- All expenses must be fully documented (see below).
- The signatory authority of the relevant account is responsible for compliance with this policy.

Specific Criteria

The following are examples of the type of expenditures that may be paid/reimbursed subject to the general policy articulated above and the documentation criteria described below.

- Expenditures for the purpose of recruiting potential employees, soliciting prospective donors or sponsors, and hosting official guests when necessary for the conduct of University/campus business.
- Expenses for meetings of regular University/campus committees, which may involve only participants from a single location, and which are documented as part of a working session necessitated by travel requirements, schedule conflicts or other unavoidable circumstances solely for the benefit of the institution.
- Institutional events, including recognition/morale activities, public relations/development/fund-raising events, conferences/retreats/seminars, and activities in conjunction with various ceremonial and official events. These events may be either campus-wide or on a smaller scale and require prior approval. Such approval must be obtained through normal administrative channels. University and campus policy regarding budgeting, approvals, purchasing and documentation shall apply.

- Tickets for sports, theater, charitable/civic and other events for the entertainment of institutional donors, alumni, guests and visitors. In all cases the expenses must be shown to benefit the mission of the institution or directly support its programs.

The following are examples of the type of expenditures which should not be paid/reimbursed:

- Excessive or extravagant costs.
- Political contributions.
- Gifts to University employees other than those provided through official recognition programs authorized by the Human Resources Department.
- Expenses incurred in connection with personal business including parking fees, parking tickets, club memberships, stolen articles, etc.
- Meals during working hours, including "working meals" where one employee takes another employee to breakfast, lunch or dinner.
- Purchase of alcoholic beverages is highly discouraged due to the expense and potential liabilities involved. However, when written authorization is obtained prior to the event, purchase may be made through Food Services or their approved substitute.
- Expenses for spouses except as allowed in the Executive Compensation Policy (when approved) or as part of an institutional event which has received prior approval.
- Any unexplained or undocumented expenses.

Documentation

All expenditures must be accompanied by an original receipt; documentation must include:

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

Reporting Requirements

Campuses/locations should identify business and entertainment expenditures in the University Financial Records System (or approved alternative system) in a manner which will allow for regular reporting to the Board of Trustees.