

Policy: Distribution

Guidelines for Use of Unrestricted Funds

Section: Finance

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Article 1: Purpose

Limitations on the distribution of gift proceeds, earnings, and assets by the Oregon State University Foundation (OSUF) stem from OSUF’s status as an Oregon nonprofit corporation and the organization’s fiduciary duties under Oregon law, it’s status as a tax exempt charitable organization under the Internal Revenue Code, the terms of the service contract between the OSU Foundation and Oregon State University (OSU), the Oregon Administrative Rules that govern the Oregon Board of Higher Education, restrictions imposed by the Internal Revenue Service (IRS) for donor gifts to qualify as a tax deductible “charitable contribution,” as well as any directions or restrictions placed on a gift by the donor.

The purpose of this policy is, first and foremost, to ensure that gifts are used in a manner that is consistent with these limitations, as well as to prevent fraud, ensure the proper administration of gifted funds, and avoid stale claims.

Article 2: Institutions for Whose Benefit the OSU Foundation Can Make Distributions

It is permissible for the OSUF to accept, hold, manage, and expend charitable contributions given for the benefit of OSU, other public colleges and universities, as well as qualifying related organizations. Donated funds, and earnings thereon, shall be distributed in accordance with the donor's instructions.

It would not be appropriate to make distributions from funds donated for the benefit of the organizations described above, to any other non-profit organization, unless such payment is made for goods and services received by OSU or for another primary benefit that fulfills the university’s mission and purpose.

Article 3: Overview of Reimbursable Expenses

- Fundraising and public relations expenses
- Alumni and donor relation expenses

- Expenses paid through a university FSxxx index
- Promotional activities and give-away items
- Flowers
- Plaques
- Certificates and awards
- Gifts to donors
- Gifts to non- staff volunteers
- Non-cash employee service awards
- Length of service awards
- Awards honoring top performing faculty and staff
- Support staff annual recognition (i.e. Administrative Assistants/Secretaries Day)
- OSU annual staff service awards
- Annual employee awards ceremony
- Retirement recognition receptions
- Separation from service receptions
- Remembrances, memorials, or celebration of life receptions (employees or emeritus faculty)
- Meal expense for an honoree and his or her significant other at reception banquets
- Cards sent to donors and alumni
- Newsletters and publications
- Employee travel, meals, and lodging incurred as part of employment reimbursable at OUS per diem rates
- Employee lodging rates above per diem while attending a conference and staying at conference hotel
- Travel by personal auto: business related use of a personal automobile is reimbursable at the prevailing state of Oregon mileage rates.
- Telephone call home (one per night) during over-night stays away from home)
- Catered meals/box lunches for employee for work-related meetings
- Refreshments or box lunches for non-employee volunteers
- Hosted meals or entertainment as part of conducting OSU business
- Hosted meals or entertainment of a spouse or the spouse of a guest if it is incurred in the conduct of university business.
- Gratuities up to 20%
- Travel and lodging expenses for spouses asked to represent the university in an official or representative capacity.
- Refreshments for departmental sponsored student meetings
- Memberships in civic organizations and trade associations when required as part of employment

The purposes set forth above shall be interpreted broadly to include all expenditures that further the mission and purposes of OSU and the OSUF, as stated in its current

Articles of Incorporation and Bylaws and its classification by the IRS as a tax exempt organization under §501(c)(3); §509(a)(1) and §170(b)(1)(A)(iv) of the Internal Revenue Code.

Article 4: Overview of Non-reimbursable Expenses

- Donations to other non-profit organizations
- Private benefit or personal expenses
- Pre-payment of expenses other than FSxxx index reimbursement
- Late fees and interest (except interest on FSxxx indexes)
- Fines penalties and parking tickets
- Civil or criminal penalty on behalf of an individual
- Wire transfers as a form of payment
- International payments as a direct form of payment
- Payments to non-citizens or foreign entities
- In-Office Treats
- Holiday (secular or non-secular) Decorations
- Office Decorations
- Maintenance or replacement of employees personal property
- Gifts of any value in recognition of 'Life Events'
- Receptions or Events in recognition of 'Life Events'
- Employee birthday, anniversary, holiday etc. cards
- Employee Meals and Lodging in excess of per diem rates
- Lodging expense for additional rollaway bed or sofa pullout charges, cribs, mini bar fees, etc
- Personal entertainment expenses
- Meal expense for employees attending a meeting/conference, which a meal is provided but the employee declines the meal and elects to purchase another meal
- Employee/staff meeting meal expenses in which the primary purpose is social
- Employee meals for a one-day trip
- Duplicate reimbursement of meal and lodging expense
- Staff functions which include restaurant meals or buffets are not reimbursable
- Expenses for employee spouses, or other family members
- Cost of upgrading travel beyond that qualified for state reimbursement
- Travel and lodging expenses of children and extended family members
- Gratuities and tips in excess of 20%
- Gift certificates (or other cash equivalent)
- "Quid pro quo" gifts
- Memberships in civic organizations and trade associations that are not required as part of employment
- Lobbying or other political activities

Article 5: OSU Foundation Reimbursement Types

FS Index Reimbursements: The Foundation reimburses approved OSU business-related expenses through the OSU FS Index Reimbursement System. OSU business-related expenses are generally all expenses reflected on OSU Financial Statements. This includes all expenses related to, but not limited to, instruction, research, administration, extension, outreach programs, and campus infrastructure.

Direct/Personal Reimbursements: The OSU Foundation processes direct reimbursement requests for other OSU non-business expenses, which include expenses related to OSU public relations and fundraising.

Article 6: General Limitations of Foundation Reimbursements

- A. **Donations to Other Non-Profit Organizations:** Funds that are donated without restriction (unrestricted funds), or the earnings thereon, cannot be distributed to any other non-profit organization, unless such payment is made for goods and services received by OSU or for another primary benefit that fulfills the University's mission and purpose.
- B. **Use of Foundation Funds for Private Benefit:** Foundation funds cannot be used in a manner that confers a private benefit to an individual recipient, or distributed for their personal use or discretion.
 - **Example:** A new employee has arrived and needs to purchase furniture for their apartment. Foundation funds cannot be used to purchase the furniture for the employee, nor can a cash distribution be made to the employees to purchase the furniture themselves.
- C. **Use of Foundation Funds for Social Purposes/events:** Foundation funds cannot be used in a manner that is primarily social in nature, and where there is a personal or social relationship between the person/persons being entertained.
 - **Example:** Several faculty members meet for dinner, and include in the dinner conversation a discussion about the Departmental Organization that they jointly belong to. Since the meeting is being held outside of regular business hours and it is not necessary for the meeting to occur in a social setting, the purpose of the meeting would be considered primarily social.
 - **Example:** A Department holds a "wake", "Reception", or "Celebration of Life Reception" for a group of faculty members, family, and friends of a recently deceased faculty member or emeritus faculty member. The event does not have a business purpose nor does it serve qualified public relations function as the event is attended primarily by faculty, friends, and family of the deceased individual.

- D. Pre-Payment of Expenses:** With the exception of OSU contractual payments, the Foundation cannot pre-pay expenses (i.e. Airline tickets, travel advances, lodging).
- E. Late Fees and Interest:** The Foundation cannot pay for credit card late fees or interest charges on vendor invoices or other reimbursable expenses. (Exception: Interest charges assessed by OUS on FS Indexes are reimbursable using unrestricted funds.)
- F. Fines Penalties and Parking Tickets:** The Foundation cannot pay for parking tickets (OSU, city or other) or other fines or penalties imposed by a public or government entity issued to an OSU or OSUF employee, volunteer, contract employee, vendor, or alumni.
- G. Wire Transfers - Payment of Expenses:** The Foundation does not wire transfer funds to facilitate payment or fund transfers regarding OSU incurred obligations.
- H. International Payments:** International payments are payable through OSU and may be reimbursable through the department FS index. (OSU FIS 507: Relationship Between OSU and OSU Foundation)
- I. Payments to non-Citizens:** Non-resident aliens or foreign entities.
- J. Student Organization/Club Support:** Payments in support of student organizations are made to the student organizations MU account. Payments cannot be made to individuals or student organizations not affiliated with OSU.
- K. Documentation of Business Purpose:** 5 W's (Who, What, When, Where, Why) – dates, names of individuals hosted/attending, what is being paid, location and purpose of the event indicating the university business purpose are required for each request. An announcement or agenda may be substituted for individual names when requesting reimbursement for expenses of a large group gathering.
- L. Substantiation of Expenditures:** Documentation of the expense shall be provided in sufficient detail to evidence that the expenditure did occur, prove the amount paid and explain that the purpose is within both the scope of the Foundation's charitable purposes and any restrictions imposed by the donor on the funds being distributed.

A receipt must separately itemize meals, gratuities, alcoholic beverages and any charges for room use. A “tear tag” showing only the total charge or a credit card statement is inadequate for reimbursement. Every effort should be made to provide an itemized receipt; however, if this is not possible, a non-itemized receipt will be accepted upon submission of a written statement specifying the expense details and signed by the individual requesting reimbursement.

International expense must be converted to U.S. dollars, include proof of currency exchange rate used.

▪ **Examples of correct documentation:**

- i. Original invoice (not a statement) showing itemized detail
- ii. Itemized receipt showing details of transaction and that it was paid in full
- iii. Itemized hotel receipt or invoice, showing all individual charges and taxes
- iv. Room service meals must have itemized receipt
- v. Credit card transactions must have two receipts (tear tags), unless all information is contained on a single receipt
 1. Itemized receipt showing all details of purchased food and drink, or other purchase
 2. Payment receipt showing total payment amount and how payment was made

M. Deadline for Submission of Expenses - Stale Dates: Reimbursement will not be made for expenses more than nine (9) months old, or nine (9) months from the date of service. Expense reimbursements must be submitted in the fiscal year the expense occurs, but no later than the annual cut-off date published by OSUF each fiscal year end. Accrued expenses posted by OSU and subsequently posted to OSUF through the FS Index Reimbursement System will be paid at fiscal year end.

Article 7: General Guidelines for Use of Unrestricted Funds

The overarching principle is that expenses to be reimbursed, or direct paid, were incurred primarily to promote and further the interests of OSU or OSUF and are reasonable and necessary, did not confer a personal benefit, and support the exempt purpose of the OSUF.

Article 8: Gifts, Mementos, Flowers and Tokens of Appreciation

All expenditures for gifts, mementos, flowers and token of appreciation must be given within the principle of furthering the mission and purpose of OSU or OSUF, and must be given in the name of OSU or OSUF and be appropriate to the occasion. Such items are not to be given as a routine or reciprocal matter that would be construed as conveying a personal benefit. Amounts over and above the recommended guidelines are reimbursable with written approval of the dean, Provost, or in non-academic units the VP or department head.

- A. Flowers:** Expenses up to \$75 for flowers is the recommended limit, to be paid from unrestricted funds, sent in the following instances: death in the immediate family (spouse, significant other, children, parents, stepparents, or guardian), hospitalization, or major illness of an employee.

It is also appropriate to send flowers on behalf of OSU or OSUF in the death of an employee, emeritus faculty, volunteer, donor, or current OSU student. Flowers sent due to a death of an OSU student's immediate family member (parent, step parents, guardian, or children) is reimbursable using unrestricted funds with dean's /department head approval. Expenditure must be commensurate to the event. Expenses in excess of the recommended guideline stated above must be approved by the dean, Provost or in non-academic units the VP or department head.

OSUF funds cannot be used to provide "donations in lieu-of flowers" to charitable or other non-profit organizations, for memorials (i.e. cash, plaques, benches, memorial gardens, trees, plantings), or other functions.

- B. Plaques, Certificates and Mementos:** Perpetual plaque (plaques that are not retained by the recipient) engraving expense, and other awards maintained by OSU, or displayed on OSU property, may be reimbursed through the FS Index Reimbursement System.
- **Gifts to Donors:** De minimus (up to \$50 per person) awards, plaques, certificates and mementos that are retained by the awardee (not given as "quid pro quo" gifts), donor, or others, but not employees, unless part of a university or department sponsored service recognition program, may be reimbursable using unrestricted funds.
 - **Gifts to Non- Staff Volunteers:** De minimus (up to \$50 per person) awards, plaques, certificates and mementos of little intrinsic value given as gifts to non- staff volunteers (i.e., Dean's Advisory Council, guest speakers) may be reimbursable using unrestricted funds.

Article 9: Employee Awards

It is appropriate to expend discretionary funds for recognizing staff performance so long as the primary purpose is not to confer a personal benefit upon an individual or group. Awards, tokens, or gifts (non-cash equivalent less than \$400, see limits listed below) given in recognition of service provided to OSU by an employee or volunteer. Awards must be tangible items, does not include meals or refreshments. All cash and cash equivalent awards, or non-cash awards greater than or equal to \$400, are only reimbursable through the FS Index Reimbursement System.

- A. Non-Cash Employee Service Awards:** Awards given to current employees in accordance with OSU length of service awards are reimbursable. Awards cannot be given retroactively to employees that are no longer employed at

OSU. Amounts over and above the recommended guidelines are reimbursable with written approval by the college dean, Provost, or in non-academic units the VP or department head.

Recommended Guidelines

1. Reimbursement of up to \$50 for recognized OSU "Length of Service Awards" for 5 or 10 years of service.
2. Reimbursement of up to \$75 for recognized OSU "Length of Service Awards" for 15 or 20 years of service.
3. Reimbursement of up to \$100 for recognized OSU "Length of Service Awards" 20 years or more of service. (reference A.6e for retirement events)
4. De minimus (up to \$50 per person) non-cash awards in recognition of formally established OSU annual staff service awards. This can include any item up to \$50 (i.e. flowers, OSU gear, books, cards, or other small tokens) for the following events:
 - Awards honoring top performing faculty and staff
 - Support staff annual recognition (i.e. Administrative Assistants/Secretaries Day)
 - OSU annual staff service awards

- B. Non-Cash Parting/Retirement Gifts - Employee Retirement or Separation from Service:** Non-cash gifts less than \$400, given at retirement or separation from service, are reimbursable. All cash and cash equivalent gifts, or non-cash gifts greater than or equal to \$400, are only reimbursable through the FS Index Reimbursement System. Gifts or awards cannot be given retroactively to employees that are no longer employed at OSU. Amounts over and above the recommended guidelines are reimbursable with written approval of the dean, Provost, or in non-academic units the VP or department head.

Recommended Guidelines:

1. Reimbursement up to \$ 50 for five (5) to fourteen (14) years of service
2. Reimbursement up to \$ 175 for fifteen (15) to twenty-four (24) years of service
3. Reimbursement up to \$ 250 for fifteen (25) to twenty-nine (29) years of service
4. Reimbursement up to \$ 400 for 30 or more years of service

Article 10: Staff Functions

Periodic employee events for recognizing employee or group work performance (i.e. annual employee awards ceremony or staff recognition reception), retirement receptions, and “Separation from Service”, and “Open House” events are examples of staff functions. Birthday parties and holiday parties which denote personal or seasonal events are not. Student participation at staff functions does not qualify the event as an instructional or student event. In all cases, the expenses must be commensurate to the occasion and limit the appearance of conveying a personal benefit.

The following are recommended guidelines. Amounts over and above the recommended guidelines are reimbursable when approved by the college dean, Provost, or non-academic department VP or department head:

- A. “Periodic Employee Event” shall be determined by the dean, or in the case of non-administrative Units the VP or department head.
- B. “Expenses Commensurate with Occasion” recommended guidelines for expenses for each event are to limit the expenditures to be reimbursed from unrestricted funds to 100% of the current meal per-diem rate. Amounts over and above the recommended guidelines are reimbursable with written approval of dean, Provost, or in non-academic units the VP or department head:
 - **Example:** Department holds a noon potluck once a month for all employees that wish to attend/participate. The purpose is to socialize and get together on a monthly basis to increase staff morale. Costs associated with the event are not reimbursable through the Foundation.
 - **Example:** Department of Architecture holds its annual department picnic / potluck for employees and their families. There are 75 people attending the picnic but only 30 of those are employees of the department. Expenses for employees are reimbursable. Additional expenses related to non-employees attending the event are not reimbursable. (i.e. additional catering expenses charged for non-employees attending. It is not allowable to negotiate a higher per person rate with the vendor to cover the expenses for non-employees attending)
 - **Example:** College hosts its annual employee awards reception. Employees and their significant other are invited. The college plans to have finger foods and refreshments catered along with a no-host bar. The college is selling tickets for \$10 each to offset expenses related to non-employees attending the event. (The funds collected are not to be sent to the Foundation. When necessary, the department should prearrange for split invoices when paying a vendor from both Foundations funds and private funds.)

- C. Expenses for employee spouses, or other family members, are not reimbursable (i.e. cannot be counted as part of reimbursable headcount) except as noted.
- D. Restaurant or “sit-down” meals including buffets are not recommended for staff functions as it may give the appearance of conferring a personal benefit upon an individual or group. The Foundation will reimburse expenses for “sit-down” meals for staff functions (employee expenses only) with written approval of dean, Provost, or in non-academic units the VP or department head:

In the case of a reception banquet, the Foundation will honor requests to pay for the meal of the honoree and his or her significant other. All other participants will be expected to pay for their own meals. A group can take up a collection to defer a portion of the expense of a reception, but the funds shall be managed privately and the money not sent to the Foundation. Any other special occasions should be pre-authorized for payment through the Foundation.

- E. Retirement Receptions (one per retiree) are reimbursable up to \$1,000 for one retirement event for currently employed OSU faculty or staff. Event must occur within 6 months of actual retirement date. Amounts over and above the recommended guidelines are reimbursable with written approval of dean, Provost, or in non-academic units the VP or department head:
- F. “Separation from Service” events (one event per employee and event cannot be in addition to a retirement reception) recognizing classified or unclassified employees leaving the University are reimbursable up to \$200 through the OSU Foundation using unrestricted funds. Events recognizing student employees, terminated employees, or employees with less than one year of service are not reimbursable. Amounts over and above the recommended guidelines are reimbursable with written approval of dean, Provost, or in non-academic units the VP or department head.
- G. Gifts of any value in recognition of “Life Events” such as birthday celebrations, promotions, internal transfer, birth of a child, or marriage are not reimbursable. Foundation Funds cannot be used to pay for any food, refreshments, or decorations connected with recognition of these life events.
- H. Catered receptions, buffets, or sit down meals for “Celebration of Life” or other receptions for recently deceased faculty, staff, or emeritus faculty are not reimbursable using Foundation funds. It is permissible to hold a reception with light refreshments (coffee, tea, cake, cookies, etc.) for a deceased staff, faculty or emeritus faculty member where it is deemed by the dean or University to be appropriate for the University to honor the

deceased employee. It is also permissible to honor deceased donors when it is deemed OSU public relations.

Article 11: In-Office Treats

Treats for general consumption by staff, students, visitors, or donors that are not purchased for a staff event or occasion as referenced above are not a reimbursable expense using unrestricted funds. These expenses include items such as the office candy bowl, student candy bowl, popcorn, coffee, bottled water, sodas, donuts, etc. Use of restricted funds for this purpose is limited by the fund/gift agreement.

Article 12: Gift Certificates

The Foundation does not process requests for reimbursement (personal or direct reimbursements) for gift certificates or other cash equivalent gifts or awards. Gift certificates expenses paid by the University are reimbursable through the FS Index Reimbursement System using unrestricted funds.

Article 13: Cards

Expense for the purchase and mailing of cards sent for public relations, donor recognition, or fundraising are reimbursable expenses. Employee birthday, anniversary, holiday etc. cards are not reimbursable.

Article 14: Newsletters and Publications

Public relations publications (directed to a public audience or primarily non-University audience) and fundraising brochures may be reimbursed through the Foundation as a direct reimbursement.

Department and staff newsletters, research publication fees, journal page reprint fees, or other University publications for which the primary audience is research, faculty, staff, or students is payable through the University and may be reimbursable through the FS Index Reimbursement System using unrestricted funds.

Article 15: Employee Travel

- A. Airline tickets are reimbursable at City Pair Fare (or less)** for eligible OSU employees and at coach rates for other employees. Any additional cost of layovers taken for personal reasons is the responsibility of the traveler.
- B. Travel purchased in advance is not reimbursable** prior to completion of the trip except for tickets purchased through a contract travel agency, which bills the University or Foundation directly. Employees that purchase travel tickets on-line are responsible for any fees or interest charges

incurred prior to the trip being completed and the reimbursement request is completed.

- C. **Personal upgrades on airlines or car rentals** are the responsibility of the traveler and are not reimbursable.
- D. **Change ticket fees:** The traveler is responsible for any fees associated with changing or cancelling an airline ticket unless the change or cancellation is out of their control or required for a valid OSU or OSUF business purpose. Changes made for personal preference are not reimbursable.
- E. **Hotel cancellation fees:** It is the responsibility of the employee to cancel hotel reservations in accordance to the lodging establishment's cancellation policy. Changes made for personal preference are not reimbursable.

Article 16: Employee Meals and Lodging:

"Per diem" shall mean OUS per diem rates

"Necessary and Authorized" shall mean an ordinary and necessary business expense incurred in the conduct of the University's mission and approved by the department chair, college dean, or the senior unit administrator.

- A. **OSU Business:** Expenses incurred for employee meals and lodging while conducting OSU business are reimbursed at OSU per diem rates through the University and may be reimbursed to OSU through the FS Index Reimbursement System.

Reimbursement for lodging expenses in excess of actual OSU reimbursement is typically not allowed, except in cases where:

1. There is not lodging available at per diem rates within reasonable vicinity to the business being conducted,
2. Documented safety reasons.
3. When the University business being conducted requires payment of lodging rates above per diem (i.e. conference, recruiting trips, conference room rentals)

- B. **OSU Public Relations or Fundraising:** Expenses incurred for employee lodging (single occupancy standard rooms, not a suite or club floor) when conducting OSU public relations or fundraising are reimbursed at OSU per diem rates as a direct reimbursement. Amounts over and above the recommended guidelines are reimbursable with written approval of dean, Provost, or in non-academic units the VP or department head.

A copy of the itemized hotel statement along with payment receipts must accompany the reimbursement request. Reimbursement for lodging

includes the cost of the room, applicable taxes, and hotel parking. Any additional costs will require separate justification. Movies, laundry, mini-bar, room service fees, or hotel amenity expenses are considered personal expenses and are not reimbursed by the Foundation. Expense reimbursement is through the OSU Foundation and may be paid directly to the individual upon proper documentation of expenses.

- C. Business meals are reimbursable at OSU per diem rates, inclusive of the meal, non-alcoholic beverage and a gratuity of twenty (20) percent (exclude sales tax from gratuity calculation). The per diem rate will follow the approved IRS schedule, which is updated periodically. Duplicate reimbursement of meal and lodging per diem from Foundation funds and any other source is prohibited.
- D. Employee meals may be reimbursable when part of an official function, or work meeting. Duplicate reimbursement of meal and lodging per diem from Foundation funds and any other source is prohibited.
 - 1. Catered meals/box lunches (up to OSU meal per diem) for employee meetings are reimbursable for work-related meetings where it is impracticable to break for lunch due to location, or when the meeting agenda requires a working lunch.
 - 2. A meal expense for employees attending a meeting/conference, for which a meal is provided but the employee declines and elects to purchase another meal, is not reimbursable.
 - 3. Employee/staff meeting meal expenses in which the primary purpose is social is not reimbursable from unrestricted funds unless the expense is a reimbursement of expenses approved and paid by the University.
 - 4. Employee meals for a one-day trip (6:00am – 6:00pm) away from the primary work location are not reimbursable.

E. Reimbursement process:

Submit a completed FS Index Reimbursement System request.

- Request must be electronically approved by the employee's supervisor or other higher-level administrative staff member.
- The college dean must sign and approve travel reimbursements for an asst/assoc dean, department head or chair.
- The Provost must sign and approve reimbursements for a college dean's travel, and or attending spouses travel.
- OSU business related (while conducting OSU Business or related to employment)

Submit a completed Direct Reimbursement Request

- Include original itemized receipts within 60 days of invoice or receipt date.
- Hosted meals are fully reimbursable after submission of itemized receipts, brief description detailing purpose of the meal/meeting, and list of attendees and their relation to OSU.
- OSU employee travel expenses are reimbursable at OSU per diem rates.

Article 17: Expenses for Spouses and Extended Family Members

Meals and Entertainment: An individual can obtain reimbursement for the cost of meals or entertainment of their spouse or the spouse of a guest if it is incurred in the conduct of University business and is reasonable for the occasion. No reimbursement will be paid if the expense is primarily personal or social.

- **Example:** You must entertain a donor or visiting faculty member. This cost is an ordinary and necessary business expense and is allowed under the entertainment rules. The guest's spouse joins you because it is impractical to entertain the guest without the spouse. You may deduct the cost of entertaining the guest's spouse as an ordinary and necessary business expense. Additionally, if your spouse joins the party because the guest's spouse is present, the cost of the entertainment for your spouse is also an ordinary and necessary business expense.
- A. Travel Expenses:** Travel expenses for spouses are not reimbursable unless the spouse has been asked to represent the University in an official or representative capacity or to be part of an official University delegation, or other contractual agreements. The expenses of children and extended family members are rarely an appropriate reimbursable expense (e.g. may be justified when recruiting senior faculty who must move their families over great distances).
- B. Lodging Expenses:** Lodging expenses for spouses or extended family members is not reimbursable unless the person has been asked to represent the University in an official or representative capacity or to be part of an official University delegation, or other contractual agreements. Additional lodging costs above the base room charge that are for spouses (other than mentioned above) or extended family members are not reimbursable. (i.e. additional rollaway bed or sofa pullout charges, cribs, personal entertainment charges, mini bar fees, etc.)

Article 18: Hosted Meals

Expense for hosted meals (public relations, fundraising, and recruitments) as part of conducting OSU or OSUF business are fully reimbursable. Hosted meals related to OSU recruitment or invited guests should be paid by OSU and be reimbursed through the FS Index Reimbursement System.

In those cases where a portion of an OSU hosted meal expense is not an allowed expense from state funds (typically alcohol is not allowed) the hosting expense may be paid as a Direct Reimbursement through the Foundation with proper documentation (i.e. itemized receipts and statement of business purpose).

- **Example:** You must entertain a faculty hire/recruitment, a donor, or visiting speaker and the meal includes alcohol expenses, which are not allowable hosting expenses under OSU rules. Reimbursement for gratuities is limited to 20% of the total itemized bill. In some cases, restaurants will automatically charge a gratuity on the bill which when combined with an additional gratuity given may exceed the limits stated above. In this case, the excess gratuity is not a reimbursable expense.

Article 19: Alcohol

Reimbursement for alcohol served as part of an OSU/OSUF hosting, public relations, fundraising, or other approved OSU/OSUF business activity is allowable. Approval for the following expenditures is required, as follows:

Reimbursement for wine or alcohol purchased in bulk for use at approved hosting events, which is stored at a private residence (i.e. private wine cellar), must be approved by the Provost.

The dean, Provost, or in non-academic units the VP or department head, must approve reimbursement of alcohol which is served to students, or purchased for or on behalf of students.

Article 20: Gratuities and Tips

Reimbursement for meal gratuities up to 20% of the total itemized bill is allowable. In some cases, restaurants will automatically charge a gratuity on the bill which when combined with any additional gratuity given by the payee may exceed the limit stated above. In this case, the excess gratuity above the limit is not a reimbursable expense.

Gratuities for other services must be commensurate with the service provided but not to exceed the above limit for paid services (i.e. taxi fares).

Article 21: Professional Membership Dues and Expenses

- A. Professional Organization Meetings:** Meeting expenses for meals at a regular meeting of a professional organization to which an employee belongs (typically limited to administration level employees) and which furthers or promotes the interests of the University are fully reimbursable to the individual with the approval of the appropriate college, department or unit administrator.
- B. Civic Organizations and Trade Associations:** Expenses incurred in connection with belonging to civic organizations and trade associations when required as part of employment are reimbursable.
- C. Professional Dues:** Annual dues or licensure fees to maintain accreditation in professional organizations (state bar, CPA, etc.) maintained as a condition of employment are reimbursable.
- D. Membership Dues:** Membership dues as part of a professional subscription to a journal or state or national organization directly related to employment are reimbursable.

Article 22: Department Sponsored Student Meetings – Research Seminars

Reasonable expenses, associated with periodic department sponsored meetings, where student attendance is encouraged, for food (i.e. snacks, pizza) and refreshments may be a reimbursable expense. The meeting must have a formal publicized agenda and serve an instructional purpose.

Article 23: Department Sponsored Graduation Events

Reasonable expenses associated with department sponsored graduation receptions may be a reimbursable expense.

Article 24: Volunteers

Reasonable expenses to provide a box lunch or refreshments to non-employee volunteers may be a reimbursable expense. The expense must be incurred because the work the volunteer(s) performed required that a regular meal period be missed, or refreshments or light snacks were provided during the voluntary service period.