

FOUNDATION

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

Allowable Use of Funds Policy

Purpose and General Policies

Southern Illinois University Edwardsville Foundation (SIUEF) has a fiduciary responsibility to ensure funds are utilized in accordance with the terms and conditions of donor gifts and are utilized to support Southern Illinois University Edwardsville (SIUE) and its mission. In addition to ensuring compliance with donor intent, additional restrictions may apply to the expenditure of SIUEF funds, including legal and IRS constraints and SIUE policies. If any anticipated transaction does not meet the guidelines outlined in this document, prior written approval must be obtained from the appropriate SIUE Vice-Chancellor.

In spending SIUEF funds, SIUEF and SIUE require fund fiscal and proprietary officers to exercise sound judgment, display prudence, and maintain a high sense of ethics in making expenditure decisions. Requests for disbursement of SIUEF funds should be submitted to SIUEF within 30 days of the original transaction.

SIUEF funds may not be expended for any activity or purpose that:

- may jeopardize SIUEF status as an IRS 501(c)(3) Charitable Organization
- may benefit a political campaign of any candidate seeking public office
- may involve or create liability exposure for SIUEF or SIUE
- does not directly support SIUE or its students
- may not be considered a customary or reasonable expense incurred while conducting SIUE business

General Documentation Requirements

SIUEF requires the completion of an **Authorization of Disbursement** form documenting the amount to be paid from the specific SIUEF fund, complete with approvals from both the SIUE fiscal officer and SIUE proprietary officer of the fund. All disbursements should be submitted within 30 days of the original purchase.

Authorization of Disbursement requests must include the following:

- Vendor- Individual, business, or SIUE account to be paid or reimbursed
- Address for mailing the check
- SIUEF Fund number and name utilized--must follow fund stipulations and restrictions
- Amount to be reimbursed from available applicable fund spendable balance

- Description of what is being reimbursed and SIUE-related purpose
- If the expense pertains to an event, please list the event name and date
- Appropriate signatures of both SIUE fiscal and proprietary officers responsible for fund usage (Electronic signatures and email approvals are accepted)
- W9: Anyone other than an SIUE-related payee (Budget Purposes, Student Financial Aid, and Clubs/Organizations) requires a completed W9 for processing.

Documentation to be included:

- Detailed invoice (no proposal or estimate; only actual invoice issued can be paid)
- Receipts and other transactional support
- Contract/Agreement
- P-Card – Transaction Detail
- Faculty detailed SIUE Payroll Certification
- SIUEF cannot make payments on statements; balances carried forward, or proposals
- Internal SIUE UA staff only: Screenshot of Raiser's Edge Notes for interaction

Food and Beverages/Alcoholic Beverages

Reasonable meals may be reimbursable if non-employee donors or potential donors are present. Meals for internal staff will not be reimbursed unless food is provided relating to an educational purpose. The educational/training/formal meeting agenda must be submitted with the disbursement request. Reasonable meals for interviewees/candidate search procedures may be reimbursed with appropriate receipts and a listing of attendees. Meal expenses for students will be allowed for student activities related to the particular SIUEF fund and educational purposes.

All meal reimbursements, including students/donors/potential donors, must provide receipts, a list of attendees, and the purpose of the meeting. SIUEF will reimburse gratuities up to twenty percent (20%) of the meal cost at a sit-down restaurant based on pretax totals. SIUEF recognizes various constituencies may require different levels of meal expense. Below is a "safe-harbor" guide to help ensure meal expenses are reasonable and prudent. Alcohol is allowable within the safe harbor amounts; however, prudence is required, and it is a professional best practice not to exceed two drinks per person.

<i>\$100/per person</i>	<i>\$75/per person</i>	<i>\$50/per person</i>
Chancellor/Vice Chancellor Engagement with qualified major gift prospects \$25,000 and above	Director of Development (DOD)/Dean Engagement with qualified major gift \$25,000 and above	Regular engagement of high-level annual giving of \$10,000 and above
Trustee/Foundation board member engagement	Advisory board member with a company or personal giving exceeding \$25,000	Advisory board member recruitment
Major gift donor stewardship for gifts of \$50,000 and above	Dean/Associate Dean/Faculty Chair Searches/Head Coach Searches	Donor prospecting/qualification
Recruitment of Chancellor/Vice Chancellor/Athletic Director/System President	Athletic Conference Championship Celebrations for student-athletes	Faculty searches/ Assistant/Associate professor/ Assistant Coach Searches

SIUEF acknowledges certain business practices do not fit within the safe harbor guide. In that instance, please seek SIUEF pre-approval. For situations involving donors, consultation should be made with the appropriate DOD, Dean, or directly with the Vice Chancellor for Advancement. Faculty search questions should be made to the Provost. The Vice Chancellor for Advancement/CEO of SIUEF and Chancellor will ultimately make all final decisions.

Sales Tax

Sales tax will not be considered for reimbursement, with the only exception being related to a meal and travel according to SIUEF travel, food, and beverage policy.

Membership and Professional Organizations

- Discipline-specific organizations such as CASE, AMA, and Society of Women Engineers
- Memberships to professional, civic, or social organizations to support SIUE business may be permitted from SIUEF funds.
- All payment requests for an organization membership must state the benefit to SIUE.
- Freedom from Unlawful Discrimination. To secure for all individuals within Illinois the freedom from discrimination against any individual because of his or her race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, pregnancy, or unfavorable discharge from military

service in connection with employment, real estate transactions, access to financial credit, and the availability of public accommodations.

- Pre-approval must be received from the Vice Chancellor of Advancement to ensure the organization and member meet the requirements of conducting SIUE business.

Gifts for Students and Employees

Gifts/food/etc. will not be reimbursable for general employee/student employee appreciation, birthdays, anniversaries, births, baby showers, weddings, non-retirement going away parties, etc.

Achievement awards/plaques/trophies may be purchased for limited circumstances, such as recognition of philanthropic, community service, university service, or excellence in scholarship. Per IRS requirements, achievement awards cannot be cash, gift cards, meals, lodging, theater, sports tickets, etc., and must be awarded as part of a meaningful presentation. Total expenses related to the achievement recognition ceiling are \$200 per achievement. The department must have a nomination process and committee selecting the recipient and document in the request for disbursement.

Retirement (separate concurrent achievement award is prohibited): If a unit has available SIUEF development funds, the following amounts serve as SIUEF development fund maximum usage to be allowed relating to an SIUE employee retirement (gift/food/supplies/rental) based on the retiree's years of SIUE service:

- SIUE service under 20 years \$100
- SIUE service 20-29 years \$250
- SIUE service 30 years or more \$350

SIUEF encourages colleagues to personally supplement the ceilings above if additional funds are considered necessary to recognize the SIUE retiree.

If a graduating student worker receives a gift/giveaway (\$25 maximum—no gift cards), SIUEF requires the student's 800# and student signature verifying receipt of the graduation gift.

Sympathy/Get Well flowers or plants may be reimbursable if being sent to a student, donor, potential donor, friends of the University, or an employee for immediate family only on behalf of a department at a maximum of \$100 for the arrangement plus fees such as delivery and processing.

Per IRS regulations, providing gift cards to an employee or student worker is considered cash compensation and thus not allowed.

Payments to Students

Scholarships and awards will be made payable to SIUE Student Financial Aid (SFA), and all disbursements will be required to list the student's name, semester, and 800#. A scholarship is generally defined as financial support to aid a student awarded at an educational institution pursuing studies.

Past, present, or future services are not expected in return for the support. This support is to be used for educational purposes. A student fellowship is generally defined as financial support to aid an individual in pursuing study or research. Past, present, or future services are not expected in return for the support. This support may be used for, but not limited to, educational expenses. Fellowship payments may be made to SFA or to reimburse an SIUE 4 account.

All non-student prizes and awards in recognition of performance within the scope of a competition or contest (pitch competition, poetry contest) are made payable to a specific individual/organization and will be reported as taxable income to the winner. Past, present, or future services are not expected in return for the support. The prize/award will require an Authorization of Disbursement to be filled out and a W9 attached.

Purchase of Fixed Assets or Furnishings

Purchases of fixed assets should be performed using appropriate SIUE purchasing procedures. All transactions involving the maintenance and renovation of physical facilities must be processed through SIUE Facilities Management consistent with SIUE policies and procedures.

Expenditures NOT payable from Foundation restricted funds include:

- Fines, traffic tickets, parking tickets, impound fees, employee parking, or towing fees
- Furniture, equipment, or other assets not business-related, customary, or reasonable
- Personal items (coffeepots, coffee, radios)
- Books/magazines/subscriptions not work-related
- Wages, salaries, or moving expenses paid directly to an SIUE employee
- Membership fees for frequent flier clubs or airline VIP associations
- Refrigerators and microwaves exceeding SIUE capitalization thresholds.
- Entertainment expenses for SIUE employees unless related to donor/SIUE fundraising event items.
- SIUEF will not reimburse individuals who are scam victims. (Scam examples: purchases of gift cards, mail, email, phone, direct deposit, etc.)

Apparel

A possible purchase of staff/faculty/student work-related SIUE apparel items from an allowable SIUEF fund must pass the IRS De Minimis Benefits test requirements. It **must receive pre-approval before purchase** from the Foundation Accounts Payable Manager. In no event will staff/faculty/student worker SIUE apparel be reimbursed over the "safe harbor" level of \$50 per item.

Travel Reimbursement

All travel reimbursement requests must include the business purpose, justification, and supervisor's signed approval for the travel. The purpose and justification should be sufficiently detailed to allow SIUEF to review in determining the benefit to SIUE and whether the purpose/justification complies with

the purpose of the fund being charged. Any reimbursement request not clearly stating the purpose/justification for travel will be returned unpaid. SIUEF will only reimburse completed travel. The related agenda should be included in the travel reimbursement request documentation if travel relates to a conference. An itinerary should be submitted with each travel disbursement submitted to the Foundation. The Foundation will not issue any travel advances.

Travel-related Expenses and Documentation

Mileage: If a personal vehicle is driven, mileage reimbursement is for the most direct route and is reimbursable at the IRS standard rate. Effective January 1, 2023, the IRS standard mileage rate for vehicle use will be 65.5 cents per mile driven for business use. Traveler must certify that they are duly licensed and carries adequate insurance. When claiming mileage, distance should be determined using Google Maps and State issued maps or odometer readings. Mileage between home and destination is allowed only if the traveler drives directly to/from the destination without driving to the worksite. Originating and destination locations must be documented, miles in between the destinations using the most economical method of travel, and purpose.

Airfare: Every effort should be made to obtain the most reasonable airfare rate. SIUEF will reimburse coach carrier expenses. Business class travel or one upgrade may be reimbursed for the SIU System President or SIUE Chancellor only if the travel time exceeds seven hours. First-class travel is not reimbursable through SIUEF. For airlines that charge bag fees, fees are reimbursable for one bag per traveler for trips lasting less than five days; for trips lasting more than five days, two bags per traveler is allowable. Travelers should make every effort to avoid the necessity of purchasing "early check-in" access. However, these fees are reimbursable up to \$30 per ticket.

Hotel and Car rental: SIUEF will reimburse hotel and car rental expenses under the same process as SIUE Travel Expense Policy. Travelers must secure the lowest cost rates suitable to the SIUE business being conducted. Movies, laundry, mini-bar, or room service expenses are not reimbursed by SIUEF.

Travel meals: All reimbursable employee meal expenses must include an itemized expense receipt, payment receipt, and a credit card receipt (if applicable) to indicate proof of payment and who paid. If paying for a business meal while traveling, business purpose and attendees' name(s) must be included on the request for reimbursement form. SIUE Travel Expense Policy and per diems apply; time traveler began and ended trip must be submitted. Employees on travel status will be reimbursed only for per diem and not the cost of a joint meal if all attendees are employees.

Travel entertainment: Documentation of reasonable entertainment (student teams) within a 100-mile radius of team competition/practice or en route should include a detailed business purpose, a listing of individuals in attendance, and status (employee/donor/student). Student athlete expenditures must be within NCAA bylaws, and examples include bowling and movie attendance. All weekend overnight stays visiting donors should be discussed with the Foundation prior to booking.

60-Day Rule: Per IRS guidelines, travel reimbursement requests must be submitted to SIUEF within 60 days of travel completion. If not submitted timely, the amount requested for reimbursement will be considered taxable income to you per the IRS.

Sponsorships

All sponsorships/payments for an external non-SIUE event or purpose **must be pre-approved by the Vice-Chancellor of University Advancement**. Due to tax implications, these payments may not be reimbursed to individuals or SIUE. The entity making the original payment to the external not-for-profit entity must remain the legal "donor," and reimbursement cannot occur; thus, SIUEF must make the original payment in these rare instances.

SIUEF Funds and SIUE Accounts: Fundraising Events

All fundraising event revenues and expenses must be processed utilizing a SIUEF benefit fund. SIUE accounts should not be utilized to pay an expenditure that is fundraising in nature. SIUEF funds may not be deposited into an SIUE State of Illinois account.

SIUEF benefit funds cannot accept cash disbursement requests to SIUE or pay non-fundraising event-related expenses. SIUEF benefit funds can transfer net event proceeds after all related fundraising event expenses have been processed to the applicable SIUEF fund per the specific fund stipulations and donor solicitation associated with the fundraising event.

For any questions, please contact SIUE Foundation Financial Affairs at siueffinaff@siue.edu or contact Amanda Ketcham, SIUEF Accounts Payable Manager. SIUEF Authorization of Disbursement forms and related receipts and required documentation may be submitted to siueffinaff@siue.edu for processing.