

**Western Carolina University**

**Basic Spending Guidelines  
By  
Funding Source**

**May, 2022**

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## INTRODUCTION

The university has a wide variety of sources of funds, each of which has its own spending characteristics. No set of guidelines can be written that addresses every possible expenditure decision which may arise. There are some basic rules, regulations, and precedents which are presented here, however, which can help to guide an employee in making wise spending decisions. These guidelines are provided to ensure that faculty/staff can carry out the university's mission effectively, while ensuring that fiscally wise, politically sound, and legal spending practices are followed.

## ALL SOURCES OF FUNDS

### Appearance and Reasonableness Tests

For all potential expenditures from all sources of funds, the "appearance test" should be used, i.e., how would this purchase look to external constituents if placed on the front page of a newspaper. Another test that is useful is to ask the question, "Is this expenditure necessary for a faculty/staff member to do his/her job or for the university to carry on its normal business?" The utilization of these tests should help to guide faculty/staff members in their decision-making. At all times, faculty/staff are encouraged to avoid the appearance of poor management of funds as well as the reality of poor management of funds.

### Payments to Employees

Regardless of funding source, payments to employees are limited to authorized reimbursements, authorized awards, or authorized salaries. Payments to employees for compensation for work must follow guidelines published by the Department of Human Resources and Payroll and must be initiated through the payroll system.

### *Reimbursements to Employees*

Personal reimbursements for items such as supplies, travel, or meals to an employee must be approved by an individual at a higher level of authority in the university's organization. **Personal reimbursements for items and supplies should be for emergencies only, not for the daily operational needs of the department, and they should be limited in scope and amount.** These purchases should normally be made with prior planning and through the purchase card, small purchase, or requisition process because the University will be exempt from sales tax.

Reimbursements to employees cost the University sales tax. Any such approved reimbursement must be documented appropriately for the expenditure. For example, the purchase of supplies would require following purchasing guidelines.

### *Travel Reimbursements and Expenditures*

A link to the complete set of the university's travel reimbursement procedures as well as the State Budget Travel Policy and Requirements may be found in the reference section at the end of the spending guidelines.

### *Adverse Weather Events and Other Emergency Conditions*

In the event of emergency weather conditions, certain departments have personnel critical to the University health/safety/welfare reasons. Examples of personnel who might fit this criterion are key individuals from Facilities Operations, Dining Services, Housing Services, Transportation, Campus Police, IT, Emergency Services, and certain other support or research services. Under emergency circumstances, units which have such critical functions may make prudent and reasonable lodging and/or meal arrangements for critical employees who must be at the university and pay for the arrangements from their normal operating budgets, regardless of the source of funding.

For example, Facilities Maintenance might make arrangements at a local motel within walking distance of the campus or with University Housing when local weather forecasts indicate a high probability that roads will be impassable and hazardous to traverse. Requests for payment for these expenses should be clearly documented, including the nature of the emergency, names of personnel covered, date(s) and time(s) of the event, and any other relevant information which might serve to document the expenditures.

### *Penalties and Charges Resulting from Cancellations of Travel Reservations*

Penalties and charges resulting from the cancellation of travel reservations (including airline or hotel reservations and conference registrations) may be paid by a department if the employee's travel has been approved in advance and the cancellation or change is made at the direction of and/or for the convenience of the department. If the cancellation or change is made for the personal benefit of the employee, it is the employee's obligation to pay the penalties and charges. In the event of accidents, a major disaster, a serious illness or death within the employee's immediate family, or other critical circumstances beyond the control of the employee, the department may pay the penalties and charges. These situations will be reviewed on a case by case basis.

### *Internet Connections*

Home internet connections are considered the equivalent of home telephones, i.e., personal expenses which are not reimbursable. In rare cases, a specific connection may be paid for by the university if it is required by the university and is for the convenience of the university. An example would be an internet connection needed for a research project which required a special hookup and monitoring outside of normal working hours. The simple use of a home computer and home internet service for business purposes is not considered justification for reimbursement.

Wireless internet connection charges, as with home internet connections, are considered personal expenses. The university provides wireless internet throughout much of the campus at no charge.

### *Long Distance Telephone Calls*

Long distance telephone calls are allowable from university funds only for university business except in the event of an emergency or certain situations allowable during travel status.

Should *emergency circumstances* arise which necessitate a university employee to make a personal long distance or cellular phone call not covered in the above, the employee should immediately notify his or her supervisor and make arrangements to reimburse the university.

### *Moving Expenses*

Refer to the University's moving expense policy on the Controller's Office webpage for the moving expense policy.

## Administrative and Management Controls

Administrative and management controls are established to ensure that the transactions recorded are recorded accurately and that the purchasing requirements of the university, state and federal regulations are met. They include the university purchasing requirements including not doing business with suspended or debarred vendors. Responsibilities of the employee responsible for the fund (accountable officer) as well as references to accounting codes and definitions for recording transactions as to account and purpose follow:

### *Accountable Officer Responsibilities*

The accountable officer for the fund has the responsibility to ensure that proper documentation procedures are followed for projects that he/she controls and that only authorized expenditures are charged to a project. Further, the project custodian is responsible for ensuring that any projects which he/she may control are reviewed and reconciled at least monthly and any transactions which are incorrect or do not belong on a project are reported to the Controller's Office. Finally, an accountable officer is responsible for ensuring that a positive cash balance is maintained on trust fund projects unless specifically exempted from this requirement by the Vice Chancellor for Administration and Finance.

### *Expenditure Account Codes (Object Codes)*

Expenditure account (object) codes are codes that must be used when processing financial transactions to identify various classes of expenditures, for example, salaries, travel, supplies, equipment, etc. The actual codes will provide even more detailed breakdowns of the groupings. This coding scheme gives the university the ability to create reports that include, or are broken down by, the various classes of expenditures.

Information regarding the university's expenditure account codes and their descriptions may be found on the Controller's webpage.

### *Program (Purpose) Codes*

Program (purpose) codes are codes that help to classify financial activity by its function, for example, instruction, institutional support, research, or public service. These codes are not needed to code a financial transaction but are built into the financial system for each project at the time the project is created. Because of the need to report financial activity by function, a project may not be classified into more than one function.

Program codes may impact the way funds can be spent. For example, expenditures for



scholarships may only be made from accounts with the Student Financial Aid (230) program code. If an individual had a discretionary fund and wished to use it to fund a scholarship, a separate project would need to be created to expend from for the scholarship or the funds could be transferred to an already existing scholarship project.

Contact the Controller's Office if there are questions about a proposed expenditure from a fund that has a purpose different than that for which the fund was intended. Additionally, a list of program codes is available from the Controller's Office.

## Exceptions and Interpretations

Every attempt has been made to make these guidelines comprehensive. There may be cases, however, which would fall outside the guidelines and yet be legal expenditures and in the best interests of the university or funds not described. If a fund is not described or there is a case in which an individual believes an exception should be considered as to the spending guidelines, a request should be made to the appropriate office (Controller, Contracts and Grants, Budget) for resolution of the question. The appropriate office, will work with the requesting department to provide clarifying information, and for exceptions and interpretations, to determine the latitude available on the request, the university business purpose of the request, and options which may be available.

## STATE FUNDS

### State Budget Codes - General Operating Funds

(Fund number ranges 101100 to 190995)

This group of funds consists of state appropriated funds and receipt supported funds in the state budget code.

These funds provide for the normal activities necessary to operate the university. The nature of the purchases will depend upon the mission of the unit and the types of supplies, equipment, etc. necessary to accomplish that mission. To a certain degree, the appropriateness of expenditures will depend on that mission. For example, a purchase of a street-sweeper might be appropriate from the Facilities Division budget, but inappropriate from the English department's instruction budget.

### Miscellaneous State Budget Code Rules

The following provides information on selected expenditure items as to their appropriateness

or prohibition for expenditures from State operating funds. For more of the state fund expenditure rules click here for the [State Budget Manual Topic Reference Index List](#).

### *Membership Dues*

Membership dues may not be paid for individual employees or for the benefit of an individual employee. Membership dues paid from state funds must be for the benefit of the university and not the individual. If the university is to benefit from an individual's membership in an organization, that benefit should derive not because of the individual, but because of the individual's position with the university, regardless of who is in the position. Although a membership may be in the name of an individual, his/her membership terminates at the same time he/she terminates employment with the university or moves to another department.

### *Passports and Visas*

Reimbursements for costs incurred in obtaining or renewing a passport may be made to an employee who, in the regular course of his/her duties, is required to travel overseas in the furtherance of official university business. Passport expenses are chargeable to the same fund that supports the employee's trip. The university also interprets this to mean that similar related fees or expenses such as required visas may also be reimbursed.

### *Payment of Awards to Employees for the Employee Suggestion System*

State funds may be used for payments of awards under the Employee Suggestion System (administered by the State and not the University).

### *Payments for Refreshments for External or Internal Conferences and Training Sessions*

For qualifying External or Internal Conferences and Training Session as defined by the State Budget Manual [section 5.8.2, 5.8.4 and 5.8.6](#), and the requirements and limitations discussed in [section 5.8.3, 5.8.5 and 5.8.7](#), sponsoring departments may provide refreshments for "coffee breaks" provided there are twenty or more participants and the costs do not exceed five dollars (\$5.00) per participant per day.

Qualifying Conferences and Training Sessions must be planned in detail in advance, with a formal agenda or curriculum, where there is a formal written invitation to participants setting forth the calendar of events and the detailed schedule of costs, and there are twenty (20) or more participants per day.

## *Scholarships*

Scholarships may be paid from state funds only if they are part of a legislatively approved and separately budgeted scholarship program.

## *Promotional Items*

A promotional item is an item purchased for advertising purposes to be given to an employee or non-employee. Normally, the item would have the name of a department or program printed on it with a message or telephone number.

Promotional items paid from state funds should be of minimal value and should be charged to the advertising account code 286010. In the cases of office supplies which may have the name of a department printed on them at nominal cost, these items would be coded to the supplies object code. Examples of appropriate purchases of promotional items from state funds are as follows:

- Health/safety related - example, purchase of small refrigerator type magnets or pencils with the university's emergency telephone number on them, it being in the best interests of the university and the state to ensure that the emergency number is readily available.
- Mission and program related - example, purchases of pencils with the University's name and admissions number on the pencils by the University's Admission's department.
- Office supplies with the name of a department or workshop printed on the materials so long as the cost of the printing is not excessive
- Internal conferences – Low cost conference items that are intended to promote employee recognition, improve morale or appreciation, communicate agency contact information when compared to more expensive pay and salary adjustments, are permissible as long as they are infrequent, prudent, and reasonable in their scope.

Examples of inappropriate purchases of promotional items from state funds would be the purchase of t-shirts, coffee cups, six-pack coolers, lunch bags, or other items which would primarily be used for personal purposes and/or would have more than a nominal value. Articles of clothing generally fall in this category unless they are part of a required uniform (would not then be considered a promotional item).

## **Unallowable Purchases from State Budget Codes**

There are some purchases that are specifically not allowable from state funds. Listed below is information about unallowable purchases:

1. The purchase of alcoholic beverages and “setups” is prohibited from state funds.
2. The purchase of items for personal use is prohibited.
3. The purchase of food, coffee, tea, drinks, candy, snacks, break refreshments, etc. for consumption by employees or guests is prohibited from state operating funds under all circumstances other than those provided for under university and state travel regulations. The travel regulations provide specific guidance as to allowable reimbursable expenses for meals when in travel status. State budget regulations do provide for the purchase of refreshments for coffee breaks not to exceed \$5/person for meetings/conferences which are planned in detail in advance, with a formal agenda or curriculum, where there is a formal written invitation to participants setting forth the calendar of events and the detailed schedule of costs, and there are twenty (20) or more participants per day. Purchases of food, flowers, and plants *are* permissible when purchased for use in research, education, or for consumption by research animals rather than for decorative or personal use.
4. The purchase of medications (pain relievers, aspirin, etc.) and/or medical supplies for staff/employees other than as may be required by federal or state regulations or for emergency first aid is not allowable.
5. The purchase of microwave ovens, coffee pots, refrigerators, or related items for personal office use is not allowable. This prohibition does not extend to equipment or supplies utilized for educational or research purposes or for equipment purchased for all employees’ use in the outfitting of a building.
6. The purchase of plants or flowers (live or artificial) for decorative use in an office is prohibited except purchases by Facilities Maintenance as part of campus maintenance.
7. The purchase or framing of pictures, art, diplomas, etc. for use in a personal office for decorative purposes is not allowed. Exceptions include the purchase/framing of motivational or informational wall hangings which are functional rather than decorative in nature and are intended for departmental use rather than for one individual’s office.
8. The purchase of party items or other decorative items to decorate an office for a holiday or party or general decorative use including the purchase of balloons and other like items is not allowable.
9. The purchase of picnic tables for a department other than by the Facilities Division as part of the campus maintenance function is not allowable.
10. The purchase of picnic items (paper plates, cups, napkins, forks, spoons, etc.) for office/employee use is not allowable.
11. The rental of portable water dispensers and the purchase of bottled water from state funds is not normally (see exceptions below) allowable and is considered a personal expense. In the event that the quality of the water in a campus building is in question, the department should call the appropriate facilities or environmental safety office to have the water tested. Facilities Maintenance may be contacted to determine if

additional water fountains are needed in a campus building. A portable water dispenser can be rented or bottled water purchased from state appropriated or overhead funds only if there is a health/safety reason for the purchase. Examples would be if a temporary condition existed where water quality in a facility was below state standards or when university personnel (for example, Facilities' personnel or farm personnel) are working under weather or other conditions where water is not available otherwise.

12. The purchase of gifts or flowers for an employee or non-employee is considered a personal expense and is not allowable.
13. The purchase of get well cards, sympathy cards, birthday cards, Christmas cards, or other holiday cards is considered a personal expense and is not allowable.
14. The purchase of personal clothing items or t-shirts which are not part of required uniforms, safety related, or program related (for example, use in textile research) is not allowable.

### State Appropriated Carryforward Funds

(Fund number range 125XXX)

State appropriated carryforward funds are state operating funds which have not been expended as of June 30 of a fiscal year and have been approved to "carry forward" as budget in the next fiscal year. Expenditures of these funds follow the same guidelines as normal state appropriated operating funds except that, with the approval of the Executive Council, and inclusion in the budget flexibility plan, funds may be transferred to capital improvement codes and used for renovation and/or new construction projects. Once transferred to a capital improvement code, the carryforward funds cannot be transferred back to an operating code.

## TRUST FUNDS

### Overhead Receipts Trust Funds

(Fund number range 29XXXX)

Expenditures from overhead receipts funds must follow the same guidelines as those for state appropriated operating funds except that the funds may be transferred to the capital improvement budgets for use in renovations or new construction.

### Auxiliary and Related Trust Funds

(Fund number range 3XXXXX)

Auxiliary and similar operations include the Bookstore, Student Center, University Dining, Transportation, Housing, Student Health Service and Counseling, Printing, and Parking. Expenditures from auxiliary funds must follow the same guidelines used for state funds except

when used for certain program related activities as noted in the individual auxiliary sections below.

In all cases, state funds expenditure guidelines must be followed when using the funds for staffing an office (for example, Bookstore office personnel) or carrying on activities which are similar to state funded activities. No extra benefits, compensation, food, or any other item which could not be paid from state funds may be provided to university employees. The purchase of alcoholic beverages from auxiliary funds is prohibited except as noted below for University Dining catering recipes.

### *Bookstore*

Must use state appropriated funds guidelines for administrative related operations for university employees as noted above. May purchase items falling outside the state funds guidelines for seasonal retail display items (fall, winter, spring, and summer) used to enhance or promote product, and for promotional giveaways (may be food related) used exclusively for the intended customer base (students, faculty, and staff). (Also, see vending receipts section below for additional information regarding expenditures.)

### *Student Center*

Must use state appropriated funds guidelines for administrative related operations for university employees. May purchase items falling outside the state funds guidelines for activities/programs for students sponsored by the Student Center(s) or for decorating the Student Center facilities.

### *University Dining*

Must use state funds guidelines for administrative related operations for university employees. May purchase items falling outside the state funds guidelines for program activities relating to university dining services or for decorating the Dining Center facilities. May also purchase alcoholic beverages in the event they are part of a recipe used in the Dining Services catering operation. (See vending receipts section below for additional information regarding expenditures.)

### *Transportation*

Must use state appropriated funds guidelines except may purchase items falling outside state guidelines when the items are purchased as part of providing a specific service contracted and paid for by a department such as Housing or Athletics. The items purchased outside the state

funds guidelines must be an integral part of the contracted service and appropriate for the program to which they are being provided.

### *Housing*

Must use state appropriated funds guidelines for administrative related operations for university employees. May purchase items falling outside the state funds guidelines for student activities/programs related to the housing program. (See vending receipts section below for additional information regarding expenditures.)

### *Print Shop*

Must use state appropriated guidelines.

### *Parking*

Must use state appropriated guidelines.

## Receipts from Vending Facilities Trust Funds

(Fund number range 32033X)

The term “vending facilities” includes both of the following: (1) any mechanical or electronic device dispensing items or something of value or entertainment or services for a fee, regardless of the method of activation, and regardless of the means of payment, whether by coin, currency, tokens, or other means; and (2) a snack bar, cafeteria, restaurant, café, concession stand, vending stand, cart services, or other facilities at which food, drinks, novelties, newspapers, periodicals, confections, souvenirs, tobacco products or related items are regularly sold.

UNC Board of Governors Policy 600.5.1 restricts the use of vending receipts. The following uses of net proceeds from the operations of vending facilities are authorized:

- a. Scholarships and other direct student financial aid programs;
- b. Debt service on self-liquidating facilities;
- c. Any of the following student activities if specifically authorized by the Chancellor:
  - Social and recreational activities for students residing in self-supporting University housing. However, expenditures for these purposes shall not exceed the amount of total net proceeds derived from vending facilities located in such housing facilities;
  - Special orientation programs for targeted groups of students (eg., peer mentor

- programs);
- Operating expenses of scholarships and other student awards and honors programs.
- d. Specified use of net proceeds as a condition of certain gifts, grants, or bequests. (For example, a condition of a gift of a vending facility to the university might be that proceeds are to support some specific segment of the university.)
- e. Retention to provide for working capital, replacement of facilities and equipment, and other purposes to support the continuing, orderly operation of the particular self-supporting service operation.
- f. Transfers to other self-supporting student service operations and authorized capital improvement projects, upon the written recommendation of the chancellor and subject to the written, advance approval of the president.

## Contracts and Grants Trust Funds

(Fund number range 5XXXXX)

Contracts and grants generally follow the state appropriated funds guidelines due to the federal requirements to be consistent with the state's rules and regulations over expenditures. In addition, the university must adhere to the federal uniform guidance requirements, sponsor specific terms, and conditions noted in the awards documents.

Exceptions, if any, to the state funds guidelines must be discussed with/approved by the Contracts and Grants Office.

## Gift and Endowment Income Trust Funds

(Fund number range (97XXXX; 93XXXX; 62XXXX; 67XXXX)

Expenditures from gift and endowment income funds must be made prudently with the intent of the donor in mind and follow the restrictions set by the donor. The primary purpose of an expenditure must be for the benefit of the university and, therefore, not for the direct benefit of an employee.

## Endowment Principal Funds

(Fund number range 91XXXX and 61XXXX)

Endowment principal funds are funds provided to the university and Foundation, normally in the form of a trust or gift, for investment to generate income. The income may be unrestricted or restricted for a particular purpose.



Expenditures are not allowable against these endowment principal funds. All endowment related expenditures must be made from *endowment income funds* (see above).

### Student Activity Fee Trust Funds

(Fund number range 3207XX)

Student activity fees may be expended for student activities including the purchase of items which may not be paid from state funds so long as a prescribed student budget allocation process is followed in the allocation of funds.

The funds may not be used to fund activities for university staff or offices which could not be purchased from state funds. No extra benefits, compensation, food, gifts, or any other items which could not be paid from state funds may be provided to university employees except where food is incidentally served to employees attending a student function. Expenditures for alcoholic beverages are prohibited.

Utilization of state term contracts or state purchasing regulations is not required for student activity funds, however, good business practices are encouraged in expending the funds

### Patent Royalty Trust Funds

(Fund number range 2210XX)

Patent royalty funds are royalties derived from licensing of a patent. These funds must be used for support of research. They are flexible in nature and may be used like an unrestricted gift, including payment for items which could not normally be paid from state funds, so long as the funding is for the benefit of the university and not for the personal benefit of an individual.

### Orientation Fees Trust Funds

(Fund number range 223XXX)

Orientation fees are fees paid by students or parents to fund the new students' orientation program. The fees may be used for payment of normal orientation expenses including food and refreshments for student participants, orientation training (includes training retreats), and other expenses as necessary to provide a full orientation experience for students and parents. Expenditures for alcoholic beverages are prohibited. The funds may not be used for refreshments for university staff meetings or other business which is outside the confines of the retreat, orientation training programs, or orientation program.

## Educational and Technology Student Fees

(Fund number range 240XXX)

The Educational and Technology Fee (ETF) is used for two major purposes:

- The provision of equipment, supplies, and maintenance for departmental laboratories with specific curricular objectives, and
- The provision of campus-wide student computer services.

These funds should follow all state funds spending guidelines and must be used for the purposes stated above.

## Agency Trust Funds

(Fund number range 81XXXX)

This category includes funds held by the university as fiscal agent for student, faculty, and staff organizations where it has been deemed in the best interests of the university to provide an accounting service. These funds do not belong to the university and the university does not determine what they can be spent for except as follows:

- The university requires a formal approval process to ensure, to the extent possible, that funds in these projects are not misused.
- The funds should not be spent for any purpose which would be detrimental to the image of the university.
- Alcohol cannot be purchased with these funds.

The university does not require the custodian of an agency fund to adhere to purchasing regulations. However, adequate documentation is required for all expenditures to ensure that an authorized person is initiating an expenditure request and that it is for a legitimate purpose of the fund.

## DISCRETIONARY FUNDS

(Types of Funds and Fund number range 27XXXX)

Discretionary funds are those funds that are not required to be used for a specified purpose, and can be used to meet a broad range of university needs. The flexibility that is associated with discretionary funds is vitally important to the university. At the same time expenditures

of discretionary funds must be consistent with a number of general guidelines as set out below.

- Each expenditure of discretionary funds must be for a valid university purpose and in the best interest of the university. These expenditures (whether for meals, travel, lodging, entertainment, official functions, gifts and awards, or memberships) must follow all university policies that apply to that type of expenditure and must be accompanied by appropriate documentation including receipt(s), purpose, date, location, names of persons involved, and fund approval.
- The very flexibility associated with discretionary funds means that determining the propriety of some expenditures will require judgment. In these cases, the prudent person test applies. The individual making the decision about the expenditure must be comfortable with the prospect that the specific expenditure would come under the scrutiny of individuals outside the university.
- Expenditures that confer a personal benefit upon the individual authorizing the expenditures are not allowable. Expenditures for items such as a retirement gift or an employee award that are authorized by one individual to be received by another are allowable.
- Use of discretionary funds for donations or contributions to non-profit organizations is only permitted if a substantial university purpose can be demonstrated and the receipt of the donation by the organization does not threaten the tax-exempt status of the university or its foundations.
- Discretionary funds generally come from fund raising and allocations from the respective Vice Chancellor.

## SPECIAL ITEMS

### Expediting Fee for H1B-Visa Forms (Form -907)

Normal processing of an H-1B petition is currently taking between 4-7 months, while paying a premium processing (expediting) fee will ensure a response within 2 weeks.

Payments for expediting fees for H1B-Visa Forms may track the salary funding source so long as the payment is made for a business reason for the convenience of the University and not the employee, except that contracts and grant funds may not be used to pay the fee. The expediting fee is considered a business expense, specifically, a recruiting expense. Some

examples of how the funding sources would track are as follows:

<u>Salary Source</u>	<u>Possible Funding Sources for Expediting</u>
State funds	State funds or discretionary funds
Contracts/Grants	Overhead funds, discretionary funds
Gift funds	Gift funds, discretionary funds

## Entertainment Meals

With the exception of meals allowed by the State Budget Manual policy for external conferences and informal meetings with external guests as defined and requirements and limitations provided for in ([5.8-9](#), [5.9.1-2](#)), entertainment meals may only be payable from trust funds that provide for such spending within the fund's purpose requirements.

### University Sponsored External Conferences

Entertainment Meals provided at university sponsored external conferences that are included in the registration fees, must be paid from trust funds established for that purpose. Entertainment meal expense separately charged in the conference registration fee are deposited directly to and maintained in an appropriate trust fund. Entertainment meal expenses not separately charged are deposited in and considered State funds and the amount necessary for the entertainment expense included in the registration fee must be transferred to an appropriate trust fund for payment and settlement of the related entertainment meals, any remaining funds are required to be returned to State funds.

### Entertainment Meal Expenses Paid from Trust Funds

Entertainment meals paid from trust funds should be restricted to specific events that promote the best interest of the university, are considered a normal expense that is necessary and reasonable for the related trust fund business purpose, are considered a legitimate and allowable business expense in accordance with the US tax requirements and guidance, and are within university policies, rules and regulations.

Entertainment meal expenses should have prior planning and approval by the department head, dean and vice chancellor or chancellor if not delegated.

When an employee is traveling for a business purpose that includes an entertainment meal, the related meal is not reimbursable as an employee travel meal allowance. If the employee incurred expenses having prior approval and in accordance with the entertainment meal policy

/ guidelines, the employee may be reimbursed for those expenses that are properly documented as to purpose, persons in attendance, evidence of itemized bill, and approval for payment by the department head and appropriate business office.

### Alcoholic Beverages

Alcoholic beverages are prohibited from all funds except select Foundation Funds (90XXXX; certain 93XXXX; certain 97XXXX)

In those cases where alcoholic beverages are permitted by university management, they should be strictly limited and only allowed when in accordance with the University's Alcohol Use policy and the entertainment meals policy / guidelines noted above.

## VARIOUS RELATED DOCUMENTS AND WEBSITE LINKS

[State Budget Manual](#)

[Federal Uniform Guidance – Administrative Requirements and Cost Principles](#)

University Websites / Policies:

Controller's Office <https://www.wcu.edu/discover/campus-services-and-operations/controllers-office/index.aspx>

Contract and Grant Office <https://www.wcu.edu/learn/office-of-the-provost/research/sponsored-research/post-award-resources.aspx>

Purchasing Office <https://www.wcu.edu/discover/campus-services-and-operations/purchasing-department/index.aspx>

Budget Office <https://www.wcu.edu/discover/campus-services-and-operations/budget-office/>

Travel Policy <https://www.wcu.edu/discover/campus-services-and-operations/controllers-office/for-faculty-and-staff/travel.aspx>

[Non-Salary Compensation Policy](#)

Alcohol Use Policy <https://www.wcu.edu/discover/leadership/office-of-the-chancellor/legal-counsel-office/university-policies/numerical-index/university-policy-81.aspx>

UNC Board Policy:

[Policy 600.2.4 Custody and Management of Institutional Trust and Special Funds](#)

[Policy 600.5.1 - Institutional Vending Facilities](#)

General Statutes:

[Chapter 116 – Higher Education](#)

[Chapter 116-36.1 – Regulation of Institutional Trust Funds](#)

[Chapter 138 - Salaries, Fees and Allowances](#)

[Chapter 143-1 – Article 1 – Executive Budget Act](#)