



## **POLICY & PROCEDURE DOCUMENT**

NUMBER: 3.1103

DIVISION: Finance and Administration

TITLE: Discretionary Spending Policy

DATE: November 8, 2010

REVISED: November 30, 2019

Authorized by: K. Ann Mead, VP for Finance & Administration

Issued by: Office of the Chief Financial Officer

### **I. Purpose and Scope**

Certain types of expenditures may be made from university funds (state funds) while others, although necessary and appropriate, would not normally be approved using university funds. The *Discretionary Spending Policy* attempts to clarify the appropriate source of funds for certain categories of expenditures and establishes the minimum level of approval required. Because discretionary funds are held in the WKU Foundation, this policy was established jointly by the WKU Finance & Administration division and administrative staff of the WKU Foundation. Final review and determination of allowable expenditures is conducted by the WKU Office of Chief Financial Officer for university expenditures and by the WKU Foundation Office of Chief Financial Officer for Foundation expenditures.

### **II. Policy**

The detailed policy requirements for various expenditure categories may be viewed below.

### **III. Related Policies**

#### **IV. Reason for Revision**

##### **Revision 3.1102 – June 2015**

Policy update to clarify several WKU policy requirements related to cell phone and departmental clothing purchases as well as to update several WKU Foundation requirements.

##### **Revision 3.1103 – August 2016**

Policy updates to several policy requirements including dues, retirement functions, and departmental clothing purchases.

##### **Revision 3.1103 – July 2018**

Certain changes to WKU Foundation discretionary spending policy.

##### **Revision 3.1103 – November 2019**

Certain changes to WKU Foundation discretionary spending policy.

**Western Kentucky University and Western Kentucky University Foundation**

Discretionary Spending Policy

revised 11/30/2019

<i>Type of Transaction</i>	<i>State Funds</i>	<i>WKU Foundation Funds</i>	<i>Level of Approval other than Account Administrator</i>	<i>Comments</i>
<b>Alcoholic Beverages</b>	No	Yes		Campus locations are limited to: Augenstein Alumni Center, Faculty House, President's Home, Knicely Center, Cliff Todd Center, Kentucky Bldg. and areas associated with hosting and entertaining official University guests. Other WKU locations require advance written approval from WKU President or Cabinet member. Alcohol is allowed at off-campus locations.
<b>Cards</b>				
Holiday/Greeting Cards and Postage	No	Yes		Coordination between campus departments is encouraged to minimize number of cards sent from WKU.
<b>Contributions</b>				
To political parties or politicians	No	No		Political Contributions are prohibited by the IRS
Memorial contributions	No	Yes		Maximum \$100 – Preference is to transfer to another Foundation supporting WKU. Coordination is encouraged so as to send only one memorial from WKU.
To other non-profit organizations	No	Yes		Maximum \$100 – Preference is to transfer to another Foundation supporting WKU.
<b>Dues</b>				
Institutional	Yes	No		Only if University funds are insufficient may funds be transferred from Foundation to cover expense. Funds may not be remitted to organization by WKUF.
Individual Professional Membership	No	Yes		State funds expenditure may be approved by CFO if determined to be financially advantageous
Civic, Service, Private Club	No	Yes		Must be justified by job requirements and approved by Senior Level Administration
Professional Licenses	Yes	Yes		Must be required or expected as a condition of position.
<b>Employee Awards</b>			<b>MUST HAVE SPECIFIC CRITERIA FOR AWARDING</b>	
Employee Award/ Incentive Programs	Yes	Yes		Must be processed through payroll and requires specific criteria for award program
Gift Certificates/Gift Cards	No	Yes		Maximum \$50. Requires specific criteria for award as well as record of individuals receiving awards
<b>Entertainment/Performance</b>				
Employees	Yes	Yes		Must be processed through payroll.
Non-Employees	Yes	Yes		A completed W-9 must be submitted before payments can be made.
<b>Equipment</b>				
Capital equipment (including computer equipment)	Yes	Yes		Employees may not purchase personally owned equipment with state or WKUF funds. All computer equipment must be tagged by Inventory Control for IT tracking and insurance purposes.
Furniture	Yes	Yes		All capital purchases become property of WKU and any item over \$2,000 must be tagged by Inventory Control.

**Flowers**

Instructional Purposes	Yes	Yes	
Congratulatory	No	Yes	\$100 limit. Allowable for major life events. Not permitted for annual events.
Employee Recognition Days (Admin. Prof. Day, etc.)	No	No	Not permitted for Admin. Professionals Day, birthdays, mother's/father's days, etc.

**Funeral/Illness Flowers**

Employees/Donors	No	Yes	\$100 limit
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**Gratuity**

Yes	Yes	Reimbursement is limited to 18 percent.
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**Gifts***Employees*

Retirement	Yes	Yes	Human Resources Only	WKU funds may be used only for gift provided by HR. WKUF funds allowable for retirement/resignation with \$50 limit.
Other	No	Yes		\$50 limit. Permitted only for employees exhibiting extraordinary service beyond the call of duty and outside of job responsibilities.

*Donors/Official Guests:*

Appreciation	No	Yes		This is in recognition of a special event or action.
Special Occasions	No	Yes		
Athletic/Special Event Tickets	No	Yes		

**Guest Expenses**

Yes	Yes	Guests may include prospective students, prospective employees and official University visitors. University reimbursements are based upon the University travel policy.
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**Meals**

***Note: When entertaining, provide a list of all attendees at the meal or event. The WKU Foundation does NOT pay per diem. Any meal expense deemed excessive by WKU Foundation is subject to limited reimbursement.***

*Employee Meals*

Entertaining Official Guests	Yes	Yes		An employee must accompany all guests
Meals at employee home	No	Yes	Additional approval by next level Senior Administrator	Limit of \$30 per person. For official WKU business only.
Recruitment (prospective employee)	Yes	Yes		
Annual 25 yrs/service Dinner	Yes	No	Human Resources Only (w/President's approval)	
Working lunch meeting	No	Yes	Additional approval by next level Senior Administrator	Must include purpose of luncheon meeting and list of all attendees. Number of meals must not be excessive nor attendees repetitive.
Meals not covered during business travel	No	Yes		WKU Foundation meal reimbursements are recorded and annual amounts of \$600 or greater will result in the recipient receiving an IRS form 1099.
Employee entertaining employee	No	No		
Special Events	No	Yes		Employee must be serving in an official capacity

Retreats and Workshops	Yes	Yes	Additional approval by President's Cabinet member	Includes only organized departmental / unit retreats and work sessions. For WKUF funds, approval by next level Senior Administrator is required.
Retirement function	Yes	Yes	Additional approval by President's Cabinet member	For state funds, allowable only if event is approved in advance by President's Cabinet member. For WKUF funds, must be approved by account administrator and must follow fund guidelines.
Recognition/appreciation function	Yes	Yes	WKU President's approval required	For state funds, may only be hosted by WKU President or by President's Cabinet member with WKU President's approval. For WKUF funds, must be approved by account administrator and must follow fund guidelines.
<i>Employee Spouse Meals</i>				These are official functions and must include the purpose and names of all attendees
Entertaining official guests	No	Yes	Additional approval by next level Senior Administrator	
Fund raising activity	No	Yes		
Recruitment dinners	No	Yes		
<i>Student Meals</i>				
Residence Hall Programs	Yes	Yes		
Departmental Orientation Receptions	Yes	Yes		
Departmental Graduation Receptions	Yes	Yes		
Travel	Yes	Yes		
Recognition/appreciation event for student employees	Yes	Yes	WKU Cabinet member approval required	For state funds, may only be hosted by WKU President or Cabinet member. For WKUF funds, must be approved by account administrator and must follow fund guidelines.
<b>Mileage/Travel Reimbursement</b>				Mileage reimbursements for the University and Foundation are computed using the same mileage rate. Foundation travel reimbursements are limited to actual expenses.
<i>Employee</i>				
Business Travel	Yes	Yes		
Vicinity/Touring Mileage	Yes	Yes		
Commuting Mileage	No	No		IRS Regulations do not permit reimbursement of commuting mileage.
Travel expenses for presenting research papers, attending relevant training or education sessions, and other related expenses	Yes	Yes		Limited to actual expenses.
<i>Student</i>				
Education Related	Yes	Yes		
Vicinity/Touring Mileage	Yes	Yes		
Commuting Mileage	No	No		IRS Regulations do not permit reimbursement of commuting mileage.
<b>Miscellaneous</b>				
WKU Parking Permits or Citations	No	No		
Cell Phones for individual use	Yes	Yes		Must be paid as a stipend through Payroll per WKU Cellular Allowance Policy
Cell Phones for departmental use	Yes	Yes		Must be purchased through and approved by Department of Telecommunications
Home Internet Access	No	No		

Uniforms	Yes	Yes	Additional approval by President's Cabinet member	Allowable for departments such as Admissions, Special Events, Alumni Relations, Facilities Mgmt., Athletics, Preston Center, Parking & Transp., and Shipping & Rec. where uniforms or identifiable apparel are expected or required as a condition of employment
<b>Non-Employee Awards</b>	<b>MUST HAVE SPECIFIC CRITERIA FOR AWARDING</b>			
Awards	Yes	Yes		Any award must have a completed W-9 before award can be given to winner.
Gift Certificates/Gift Cards	No	Yes		Maximum \$50. Requires specific criteria for award and a record of recipient(s)
<b>Office Expenses</b>				
Supplies	Yes	Yes		
Event Decorations	No	Yes		
Holiday Decorations	No	No		
Course related materials and books	Yes	Yes		These are considered WKU property.
Appliances	No	Yes		All capital purchases become property of WKU and any item over \$2000 will be tagged by Inv. Control
Computers and Instruments	Yes	Yes		All capital purchases become property of WKU and any item over \$2000 will be tagged by Inv. Control
Pictures, Artwork, Decorations for Common Areas only	Yes	Yes		Individual office decorations are prohibited.
<b>Refreshments For Departmental Use</b>				
Bottled Water/Dispensers	No	Yes		
Refreshments for Official Guests	Yes	Yes		
<b>Relocation Expenses</b>	See Note	See Note	Additional approval by President's Cabinet member	Relocation expenses may be paid by WKU in accordance with the WKU Moving Expense Reimbursement Policy only with required advance approval. WKU Foundation may reimburse university accounts for expenses allowable under policy. If payment is made directly by WKUF, an IRS Form 1099 will be issued to recipient.
<b>Students</b>				
Orientation, Student/Parent Receptions/Department Receptions	Yes	Yes		Please provide invitation listing or attendees of event.
<i>Student Payments</i>				
Travel Expenses	Yes	Yes		Limited to actual expenses.
Awards	Yes	Yes		WKU Foundation disbursements over \$200 will be made through the WKU Financial Aid Office.
Grant-In-Aid	Yes	Yes		WKU Foundation disbursements over \$200 will be made through the WKU Financial Aid Office.
Scholarships	Yes	Yes		WKU Foundation disbursements over \$200 will be made through the WKU Financial Aid Office.
Refunds	Yes	No		Limited to expenses paid.
<b>Workshop Fees (non-meal expense)</b>				
Community Related Programs, Seminars, Workshops, Conferences, and Continuing Education	Yes	Yes		
Faculty/Staff Retreats, Workshops, Planning, Administrative Training Meetings	Yes	Yes		