

# Florida State University Foundation, Inc. Disbursement Policy & Procedures

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## I. Policy

The Florida State University Foundation (“Foundation”) has a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of their gifts. This standard, commonly referred to as “donative intent”, is the primary limitation on the expenditure of Foundation funds. There are additional restrictions that apply universally to the expenditure of Foundation funds. Some of these represent controls intended to enhance the fiduciary function of the Foundation, while others emanate from the various legal and administrative constraints within which the Foundation operates.

***Foundation funds, which include general development or discretionary funds, may not be expended for any activity or purpose that:***

1. Jeopardizes the Foundation’s status as a Charitable Organization as defined by the Internal Revenue Code Section 501(c)(3)
2. Benefits the campaign of any candidate for public office
3. Is intended to influence public legislation
4. Is paid for, or inures to, the personal benefit of an individual
5. May involve or create liability exposure for Florida State University
6. Does not directly support Florida State University
7. Is not considered a customary or reasonable expense incurred while conducting University business
8. Fails to meet standards of equity and ordinary prudence in the management of the property of another

Examples of expenditures that may not be paid from Foundation funds include:

- Fines, traffic tickets, parking tickets, impound and/or towing fees
- Office supplies that are not business-related, customary or reasonable
- Furniture or equipment that is not business-related, customary or reasonable
- First class airfare (coach airfare should be purchased whenever possible)
- Personal items such as medical prescriptions, toiletries, personal hygiene, accessories or clothing
- Non-work related magazines or books

- Political campaign contributions
- Frequent meal reimbursements when only FSU employees are in attendance (these meal costs will be reimbursed only if there is a clearly stated University-related business purpose for each meal)
- Temporary or annual FSU parking permits or any annual parking fees for employee
- Membership fees for frequent flier clubs or airline VIP associations
- Flight insurance (Note: this is not the same as trip insurance. Flight insurance is coverage that benefits the employee rather than FSU through baggage or life insurance whereas trip insurance has a potential benefit to FSU if the trip is cancelled through refund of ticket price.)

In spending Foundation funds, the Foundation and University require accountable officers to exercise good judgment, display just prudence, and maintain a high sense of ethics in making expenditure decisions. Disbursements will be monitored for reasonableness.

Funds that are comprised of gifts and bequests made for specific purposes must be rigorously administered by the Responsible Party and Fund Administrator to ensure that such funds are used solely for purposes prescribed by the donor. It is recommended that the Responsible Party and Fund Administrator maintain a record of donor restrictions for each fund in order to assist in compliance.

All disbursements must have appropriate documentation and written justification showing that the expenditures fall within the fund guidelines and contain a clearly stated business purpose. Below are policy guidelines for specific expenditures that might be requested from Foundation funds. If after reading these guidelines there are still questions concerning the appropriateness of any expenditure, please contact the Foundation Accounts Payable office for further clarification.

#### ***A. Travel and Entertainment***

##### **1. Business Purpose and Justification**

Requests for travel reimbursement must contain justification and business purpose, as well as the dates and times of travel. The time the traveler began and ended the trip is required to calculate proper per diem or allowable meal reimbursement. If the travel is to a conference or professional meeting, a conference agenda or meeting itinerary should be provided. The Foundation does not reimburse for travel upgrades of any kind such as first class or preferred seating without documented justification.

Entertainment expenses that are unusual in nature which include, but are not limited to, ski lift tickets, show tickets, extravagant meals, golf outings and cruise excursions require written supervisory approval prior to purchase. The written approval must be

attached to the Disbursement Request or P-card Monthly Expense Form when submitted.

When travel is to a foreign country, the conversion rate used to calculate the reimbursement must be included with the request. Any request submitted without proof of conversion, such as a printout of the exchange rate used or a copy of a credit card statement showing the transaction amount in U.S. dollars, will be returned to the department. To properly reflect the daily fluctuation, use the exchange rate for the date of the transaction. An acceptable source can be found at <http://www.oanda.com/converter/classic>.

Please note, the best proof of conversion for a receipt is a copy of a bank or credit card statement showing the actual charge in US dollars.

## **2. Lodging**

Lodging can include the cost of the room, applicable taxes, internet fees, and hotel parking. Any additional costs will require written justification. Movies, laundry, mini-bar or hotel amenity expenses are not reimbursed by the Foundation. Room service and hotel restaurant charges will only be reimbursed if an itemized receipt is provided.

## **3. Mileage**

Mileage will be reimbursed at the per mile rate used by the University, currently 44.5 cents per mile with documentation supporting the calculated mileage amount (mapquest, yahoo, etc.). Please refer to OP-D-2-D in the Controller's policies at <http://policies.vpfa.fsu.edu/policies-and-procedures/financial/travel>. Per IRS publication 463, mileage is to be computed from the employee's tax base (place of work) rather than from their home. Gas expenses, in lieu of mileage, will be reimbursed only when a state-owned, Foundation-owned, or rental vehicle is used for the trip. Travelers should exercise good judgment when deciding whether to rent a vehicle or claim mileage reimbursement. If mileage is being claimed, proof of distance must be submitted with the request.

## **4. Car Rental, Taxis and Car Services**

It is strongly recommended that vehicles are rented using the State of Florida contract, currently Enterprise Rental Car. The traveler should secure a car that is appropriate based on the circumstances under which the business trip occurs such as transporting senior University leadership, board members, donor prospects or other distinguished guests. As a general rule, if the daily rental car rate exceeds \$50, an explanation of the business purpose for the more costly vehicle is required and must be submitted with the Disbursement Request. When using the State contract, refueling charges are allowed, as this is addressed in the contract. Refueling charges are to be avoided if not using the State contract.

Taxi fares must include pick up and drop off locations along with purpose of trip. Taxi fares that are not business related are not eligible for reimbursement. The Foundation will reimburse gratuities up to twenty percent (20%) of the cost of the fare.

Use of a car service is allowed only if rates are comparable to that of general taxi services for the location. Exceptions require an explanation of business purpose.

## **5. Guest Travel**

If a guest or family member accompanies the traveler and additional costs are submitted for reimbursement, a Guest Travel Form must be attached to the request. For FSU employees and guest travelers, use the Guest Travel Form found on the FSU Controller's website. For FSU Foundation employees and guest travelers, use the Guest Travel Form – FSU Foundation found on the FSU Foundation public website under Forms and Resources. All reimbursements for guest travel are taxable and will be handled through the appropriate Payroll Office unless specifically excluded by law. Even benefits provided to an employee's family member are taxable as part of the employee's wages. For a detailed explanation of the various taxable fringe benefits, please refer to the Taxable Fringe Benefits Chart located at <http://foundation.fsu.edu/sites/foundation.fsu.edu/files/documents/forms-and-resources/Taxable-Fringe-Benefits-Chart.pdf>. Once a benefit has been provided to an employee, the information must be provided to the appropriate Payroll Office within 30 days of the occurrence. Please refer to 4-OP-D-2-E in the Controller's policies at <http://policies.vpfa.fsu.edu/policies-and-procedures/financial/payroll>.

## **6. Student Travel**

Students will follow the same guidelines and procedures set forth in the Foundation policy concerning business travel with the exception of traveling to a location on the U.S. Department of State Travel Warning or Travel Alerts (<https://travel.state.gov/content/passports/en/alertswarnings.html>) lists. If traveling to one of these locations, the Exemption Request for Travel to Locations on the U.S. Department of State Travel Warning or Alert List and the High Risk Release Form located at <http://www.global.fsu.edu/sites/g/files/upcbnu531/files/Documents/SIEP%20Exemption Request for Travel.pdf> must be completed and copies attached to the Disbursement Request.

## **7. Travel/Entertainment Meals**

Only when the traveler is required to stay overnight for business purposes will travel meals be considered an allowable business expense and the traveler must be in travel status to qualify for meals. Breakfast, lunch and dinner are the only allowable meals and must be customary and reasonable. Snacks can be substituted for a meal; however,

snacks are not provided in addition to breakfast, lunch, and dinner. A cup of coffee or bottle of water is allowable in between meals.

The Foundation will reimburse gratuities up to twenty percent (20%) of the cost of the meal. When gratuities are automatically added to a bill, an additional tip above this service charge is not permitted if it exceeds the 20% threshold.

Alcoholic beverages may be included with entertainment meals if it meets the customary and reasonable standard for expenditures incurred while conducting University business.

Reimbursement requests for entertainment meals and/or functions must include the identity of the attendees, their role and the business purpose. These names must be included with the disbursement request upon submission. If the names have been written on the back of the receipt, a copy of the back of the receipt must be included.

## **8. Per Diem**

The following are the per diem allowances provided for meals. These allowances are to be used in lieu of expenses actually incurred or when itemized receipts are unavailable.

Breakfast – when travel starts before 6:00 am or ends after 8:00 am = \$6.00

Lunch – when travel starts before 12:00 noon or ends after 2:00 pm = \$11.00

Dinner – when travel starts before 6:00 pm or ends after 8:00 pm = \$19.00

## **9. Incidental Travel Expenses**

The Foundation will follow the FSU Controller's policies on reimbursements for other incidental travel expenses. Please refer to 4-OP-D-2-D Travel in the Controller's policies at <http://policies.vpfa.fsu.edu/policies-and-procedures/financial/travel>. Tips, for which receipts are not provided such as hotel maid services and skycaps, should be listed out separately and must include the date and purpose. Bellmen/doormen tips should only be included on your day of arrival and day of departure from a hotel and only if your luggage exceeds carry-on bags.

## **10. Organizational Sponsored Cruises**

The Foundation adheres to guidance from IRS Publication 463 regarding travel that occurs on a cruise vessel to attend an onboard convention, seminar or meeting. Reimbursement may be provided to employees if the following criteria are met:

- a) The convention, seminar, or meeting is directly related to your trade or business
- b) The cruise ship is a vessel registered in the United States
- c) All of the cruise ship's ports of call are in the United States or in possessions of the United States

Costs related to family members or other guests accompanying the employee will be reported to the appropriate Payroll office and will be taxable to the employee.

Organizational sponsored cruises which occur on a foreign registered vessel or travel to a foreign port will be considered taxable to the employee and will be reported to the appropriate Payroll office.

When requesting reimbursement, documentation providing the following information should be included with the disbursement and signed by an officer of the organization:

- a) The appropriate Guest Travel Form, if employee is accompanied by family or other guests
- b) The total days of the trip (not including the days of transportation to and from the cruise ship port)
- c) The number of hours each day that you devoted to scheduled business activities
- d) A program of the scheduled business activities of the meeting

***B. Membership & Professional Organizations***

When requesting payment for a membership, the Disbursement Request must indicate the benefit to FSU. Supervisor approval is required for any membership.

***C. Recreational Organizations (Club Memberships)***

The payment of club dues is a taxable fringe benefit and will be reported to the appropriate Payroll office. To substantiate business use of the club, FSU employees must furnish a usage log in order to decrease or alleviate the tax liability to the employee. The form must be submitted to FSU Payroll Services by October 31st of each calendar year using the Club Usage Log.

Personal use of a recreational club is considered a taxable fringe benefit and the value of these benefits is taxable to the employee. Payments for club dues and memberships that are determined to be personal in nature are subject to income, social security and medicare taxes and will be included in the employee's W-2.

***D. Eminent Scholar Funds***

*The following applies only to Eminent Scholar Chair endowments which have been approved or matched by the State of Florida:*

Eminent Scholar Funds which have been matched, or approved for match, by the State of Florida, require that the funds be used to support the works of the Eminent Scholar. Funds may be used for salaries for the chairholder and those individuals directly associated with the chairholder's scholarly work and for expenses directly related to that scholarly work.

All expenditures from these funds must explicitly state how the expenditure supports the works of the Eminent Scholar.

***E. Purchases of Fixed Assets***

Purchases of fixed assets, capital improvements and renovations should be performed using prudent purchasing procedures. Departments should seek competitive quotes/bids when practical. Documentation should be submitted demonstrating the acquisition process employed (such as competitive quotes, bids, and requests for proposals, or state contract). Purchases of assets greater than \$5,000 will be reported to FSU Accounting & Property Services.

***F. Scholarships/Fellowships/Assistantships***

Scholarships, fellowships and assistantships are submitted on a Scholarship Disbursement Request. Under no circumstances does the Foundation disburse payments directly to students. Funds will be disbursed for any of these purposes unless the donor intent or restrictions specifically prohibit the use of one of these categories. It is the Department's responsibility to ensure that students meet the criteria for receiving the award and random audits may be performed to ensure compliance.

Refer to the Scholarship Disbursement Policy for further information.

***G. Salary Companion Accounts***

Employee compensation paid from Foundation funds requires that a Sponsored Research Salary Companion project be set up so that the payments can be made through OMNI. Once the Sponsored Research project is established, the Foundation will be billed monthly by Sponsored Research for expenditures incurred and the Foundation will reimburse Sponsored Research accordingly. Budgets will be approved up to the amount of available dollars in the Foundation fund that supports the Sponsored Research project. Only salary and related benefits as well as a monthly administrative fee assessed by Sponsored Research may be charged to a Sponsored Research project. In the event an unapproved expense is charged, the Department will be responsible for finding alternative funds to reimburse the project for these expenditures.

***H. Salary Advances***

Advances to faculty and staff may only be made for salary delays (missed payroll) due to a University error. Contact the Director of Payroll Services first to see if a revolving fund check can be procured through FSU Payroll Services. If a revolving fund check cannot be issued, please indicate on the request that FSU Payroll Services was contacted.

Amounts requested should not exceed the amount expected to be received by the payee after all applicable deductions. Monies must be repaid via payroll deduction. Please submit the following when requesting a salary advance:



1. Disbursement Request
2. FSU Payroll Services deduction authorization form
3. Salary Advance Promissory Note & Payroll Deduction Form
4. Copy of appointment papers for proof of employment and rate of pay

The Foundation reserves the right to take any necessary steps to recover the payment. Any past due amounts not recovered will be reported to the IRS as income.

***I. Travel Advances***

Funds to be used for business travel may be requested in advance by submitting a Disbursement Request containing the purpose of the travel and travel dates. A supervisor's signature and date are required.

Travel advances will not be paid more than ten days prior to the date that travel will begin without justification.

A traveler may not have more than one travel advance outstanding at any time without written justification of circumstances that require an exception to this restriction.

Within ten days of completing the travel, the payee must complete and submit proper documentation for clearing the travel advance and/or refunding the advance. **Travel advances will be denied if any prior advances are 30 days or more past due.**

***J. Student Loans***

A Foundation Student Loan Application signed by the student and the Responsible Party on the fund is required for all student loans, and loan recipients must be currently enrolled at FSU. The due date may not exceed 30 days from the date of issuance and must not extend beyond the student's expected graduation date. Once the Foundation has approved the Student Loan Application, a check will be issued to the student by FSU Student Business Services. The student will be required to sign a promissory note upon receiving the check from FSU Student Business Services and will have a maximum of 30 days to repay the student loan. If outstanding loans are not paid by the due date indicated on the promissory note, an academic hold will be placed on the student's record and collection efforts may commence. No new loan will be approved if the student has an existing loan outstanding.

***K. Payments to Non-Resident Aliens***

Honoraria payments to non-resident aliens should be planned in advance in conjunction with FSU Payroll Services before making commitments. Since payments to non-resident aliens are subject to specific and numerous statutes and regulations, the Nonresident Alien Tax Specialist of Payroll Services must be consulted in advance to ensure the proper visa

requirements are met. While Foundation funds may be used, actual payment must be made through FSU Payroll Services.

***L. Taxable Events***

Certain reimbursable expenditures are considered taxable events. Taxable events are reimbursements which are required by the IRS to be added to the individual's W-2. The following are examples of taxable events: cruise travel when on a foreign registered vessel or to a foreign port to attend an onboard conference, house-hunting trips for newly hired employees, non-qualified moving expenses for new employees, and allowable gifts to employees that exceed the *de minimis fringe benefits* rule. These payments are considered to be salary supplements, which cannot be paid directly to the individual but must be routed through the appropriate Payroll Office. These requests must include all applicable taxes. If the spouse of a job candidate accompanies the candidate, the expenses associated with the spouse are considered taxable to the spouse. The spouse's full name and social security number must be indicated on the request. Special note: Gift cards are considered to be cash equivalents by the IRS regardless of amount and are taxable to the recipient. FSU Payroll Services will not process taxes for gift cards; therefore, the Foundation will not reimburse or pay for gift cards intended for FSU or Foundation employees. The use of gift cards as research participation incentives is permissible provided they are not given to FSU employees. If a research participant is given gift cards equal to or exceeding \$600 in a calendar year, a 1099 is required to be issued to the individual.

Awards made to non-FSU individuals are taxable to the recipient as other income. Awards could include, but is not limited to, cash and non-cash prizes for competitions or golf tournaments.

Payments made to FSU employees for services rendered that fall outside of their job scope must be routed through the FSU Payroll Office. These requests must include the employer's FICA match. The Unit or Department paying the employee for the service must bear this cost.

***M. Gifts of Recognition/Awards***

**1. Employee Awards**

Foundation funds may only be used for awards to employees to the extent that the fund purpose will allow such expenditures. All such expenditures must be reasonable and consistent with IRS regulations for business-related gifts, must conform to all applicable State and University policies, and justification/documentation must be presented to show that such gifts were in the best interest of the University.

Employee recognition, perquisites, and supplemental compensation will require the approval of the University President (or his/her designee) for any item that is

substantially convertible to cash and which must be reported as additional compensation.

The Internal Revenue Code regarding employee compensation will be followed. Non-cash gifts, prizes and awards provided to employees will be treated as taxable compensation subject to withholding and FICA tax rules. The tax code allows an exclusion of de minimis fringe benefits. The Foundation has established that a maximum value of \$100 will be considered a de minimis fringe benefit. Certain benefits are treated as taxable compensation regardless of the amount. These include season tickets to sporting or theatrical events, commuting use of an employer-provided automobile, membership in a private country club or athletic facility.

Gift cards are considered to be cash equivalents by the IRS regardless of amount and are taxable to the recipient. FSU Payroll Services will not process taxes for gift cards; therefore, the Foundation will not reimburse or pay for gift cards intended for FSU employees.

Retirement recognition applied consistently to all is permissible according to guidelines established by the IRS. The IRS generally allows, in these circumstances, for non-cash items up to \$400 in value to be given with no tax consequences to the recipient.

Before encumbering Foundation funds for gifts, Fund Administrators should speak with the Foundation Accounts Payable office to ensure that the expenditure is appropriate.

## **2. Gifts in General**

Sympathy, get well and congratulatory flowers or gift baskets may be sent on behalf of a department. Other gifts commemorating a personal event, such as a birthday, birth of a baby, wedding, anniversary or holiday will not be reimbursed. No gifts shall be reimbursed from a fund where the recipient of the gift is the Fund Administrator or Responsible Party without the approval of the University President, or his/her designee. No gift shall be reimbursed where the purchaser and receiver of the gift is the same person.

## **3. Parties for Employees**

Parties for employees are reimbursable as long as the expenditures are consistent with the fund purpose and the party has a stated justifiable purpose in support of the mission of FSU. In order to determine reasonableness an employee headcount should be documented. Any disbursement found to be extravagant will be questioned. Since baby and wedding showers commemorate personal events, expenses for these events are not reimbursable.

#### **4. Gifts to donors/Trustees**

In general, gifts to donors for recognition of a specific donation are not appropriate. The Internal Revenue Code will be followed in regards to quid pro quo items for donors to Florida State University. The Foundation is required to document with the donor the “contribution” value of donations received. The contribution value is equal to the amount received by the Foundation less the value of what is given to the donor in return. The IRS has established Safe Harbor rules whereas de minimis gifts defined as the lesser of 2% of the donation received or \$106 (adjusted annually for inflation) are allowable. In regard to prospective donors/trustees, the IRS does not provide for specific dollar values that can be expended in solicitation of a contribution but does require the issuance of a 1099 for gifts that are equal to or exceed \$600 during a calendar year.

## **II. Procedures**

### ***A. General Procedures***

All disbursements must have appropriate documentation and written justification showing that the expenditures fall within the fund guidelines and contain a clearly stated business purpose. The following deadlines concerning disbursement requests will be adhered to:

#### **1. Routine Requests**

Disbursement requests should be submitted to the Foundation Accounts Payable office within ninety days of the transaction. Requests submitted more than six (6) months after the transaction require written justification as to the reason for the delay and may not be reimbursed.

#### **2. Rush Requests**

Requests for rush payments should be avoided whenever possible. Payment requests must be planned in advance and presented to the Foundation Accounts Payable office within an allowable time frame for normal processing. Please note that payments over \$10,000 require additional signatures that may prevent prompt payment of a rush request.

### ***B. Disbursement Documentation***

#### **1. Required Documentation**

All disbursement requests must be approved by an authorized signer on record with the Foundation and be accompanied by the itemized invoice or receipt. Copies of invoices or receipts will be accepted as long as they are completely legible.

Itemized receipts indicating that payment has been made are required for all purchases regardless of payment method. All meals, including room service and meals charged to a hotel room, require itemized receipts showing the date, time and number of people in attendance.

**Requests for reimbursement where the expense was paid using an EBT card are not allowable.**

Travel related items such as tips or portage for which receipts are not provided, must be individually listed with an explanation as to whom and why the tip was given to be considered for reimbursement.

## **2. Lost Receipts for Reimbursement**

If a receipt has been lost, a signed memo must accompany the request and provide adequate information to document “who, what, when, where and why” and should only be submitted when efforts to obtain a duplicate receipt have been exhausted. The memo should also certify that *“The receipt cannot be found, no personal items are being reimbursed, and the reimbursement has not been submitted for payment to any other source”*. The Foundation may also require other proof of purchase such as a cancelled check, bank or credit card statement. Without adequate documentation, reimbursement for a sum larger than \$25.00 per receipt will not be made without Foundation approval. **If the lost receipt pertains to a meal, only per diem rates will be reimbursed.**

## **3. Tickets**

Requests to purchase or reimburse for athletic or fine art tickets must identify the name and relationship of the ticket recipient, and the business purpose served by providing a complimentary ticket.

## **4. Business Purpose Justification**

The justification for the expenditure in the description/purpose area of the Disbursement Request should clearly explain why the expense occurred and must state how the expenditure benefits FSU or an FSU program.

## **5. Pre-Paid Invoices**

In general, the Foundation will not prepay an invoice unless there are extenuating circumstances that require prepayment such as the vendor requiring payment before shipment of purchased items. Justification for the prepayment must accompany the request.

## **6. Recruitment and Relocation of New Employees**

All recruitment/relocation agreements for FSU employees must be documented and approved by the Assistant Vice President of Human Resources. The documentation as well as a copy of the appointment papers must accompany all disbursement requests.

All requests for relocation expenses for new employees should meet IRS guidelines. Qualified and non-qualified moving expenses will be routed through the appropriate Payroll Office for inclusion on the employee's W-2. Non-qualified moving expenses are taxable and will have the employer's share of FICA taxes added to the amount of reimbursement. Mileage, reimbursed at the current IRS established rate of 17 cents per mile, is considered to be a qualified moving expense. IRS publication 521 provides details on items that meet the definition of qualified and non-qualified moving expenses.

## **7. Contracts**

The Foundation adheres to FSU policy regarding contract review and approval by Procurement Services.

### ***C. Preparing the Disbursement Request***

The Foundation Disbursement Request is located at <http://foundation.fsu.edu/sites/foundation.fsu.edu/files/documents/forms-and-resources/Disbursement-Request.pdf>. Refer to the Instructions for Completing Disbursement Request for detailed guidance when filling out a Disbursement Request found at <http://foundation.fsu.edu/sites/foundation.fsu.edu/files/documents/forms-and-resources/Instructions-for-Completing-Disbursement-Request.pdf>. Failure to provide any of the following information could delay the processing of a Disbursement Request:

#### **1. Fund Name and Number**

Use the full fund name and the Foundation number (FOXXXX) assigned to the fund.

#### **2. Payee Information**

Provide the payee's full name, home address, the mailing address if different from home address, federal identification number for businesses, FSU OMNI number for FSU employees and students and the social security number for non-employees. Please refer to the FSU Foundation's Social Security Number Collection Statement located at <http://foundation.fsu.edu/sites/foundation.fsu.edu/files/documents/forms-and-resources/Social-Security-Number-Collection-Statement.pdf>. For payments to individuals, indicate whether the payee is an FSU Student, non-resident alien, an FSU employee, or none of these. If the payee is an FSU employee, list the name of the supervisor.

### **3. Contact Information**

Provide the name and telephone number of the person who can be contacted should any additional information be required.

### **4. Description/Purpose**

Give a detailed explanation of the expenditure including its business purpose, the benefit to the University, and any other pertinent information. Listing an invoice number and item will not be considered a detailed explanation. The Detailed Business Purpose and Explanation of Expenses area of the request should contain a summary of the expenses and business purpose. Do not list the individual receipts in this area.

### **5. Fund Purpose**

Provide an explanation of how the expenditure fits the fund purpose. Neither a generic nor a blanket explanation is acceptable.

### **6. Certification**

When the payee is an FSU employee, Foundation employee or student, he/she must sign in the certification area. If the individual is not physically available, electronic signatures are an acceptable alternative.

### **7. Approval**

All expenditures of Foundation funds require the approval of a signer who has been authorized by the Responsible Party. All signatures must be the full name of the signer. The Foundation does not accept signature stamps. Secondary approval may be deemed necessary as follows:

#### **a. Supervisor**

Supervisory approval is required when the payee is an FSU employee and when the nature of the expenditures may also be construed to provide a personal benefit to an employee. This type of expenditure could include, but is not limited to, membership dues and social events. The approving supervisor does not have to be an authorized signer on the disbursing fund.

#### **b. Responsible Party**

The Responsible Party of the fund is the highest level of authority in an academic unit (usually the organizational Vice President, Associate Vice President or Dean). The Responsible Party's approval is required for any expenditure greater than \$1,000, when payment is requested to compensate an individual for services rendered, and for all student loans. The Responsible

Party may appoint up to two signature designee(s) by submitting an Authorized Signer Request to the Foundation.

**c. University Chief of Staff**

All disbursement requests for amounts greater than \$25,000 must be approved by the University Chief of Staff.

**III. Petty Cash**

***A. Establishment of a Petty Cash Fund***

Unless special permission has been granted by the Foundation, a petty cash fund should not exceed \$1,000.00 and can be established by completing the Request to Establish Petty Cash Fund form located at <http://foundation.fsu.edu/sites/foundation.fsu.edu/files/documents/forms-and-resources/Request-to-Establish-a-Petty-Cash-Fund.pdf>. The Foundation reserves the right to make exceptions based upon activity needs and campus location. The Request to Establish Petty Cash Fund form must be submitted in conjunction with a Foundation Disbursement Request for the amount requested. Once approved, the information provided on the form constitutes the terms and conditions under which the petty cash fund is issued. Approval to establish the petty cash account must be obtained from the Responsible Party.

***B. Imprest System***

Petty Cash funds shall be administered using an imprest system. At any point in time, the amount of cash on hand plus the total receipts in the petty cash box plus the total of outstanding requests for reimbursement should equal the amount of petty cash originally issued to the custodian. The FSU Foundation reserves the right to periodically audit the department's petty cash fund on an impromptu basis. Any fund found to be mishandled will be revoked.

***C. Custodian***

A petty cash custodian must be an employee of the University or of one of its Direct Support Organizations. Custodianship of a petty cash fund may not be reassigned. A petty cash custodian who is terminated or otherwise reassigned must turn in the petty cash fund to the Foundation. At that time, a new petty cash fund may be requested by the Responsible Party for issuance to another individual.

***D. Location and Security***

For all departments located on the campus of FSU in Tallahassee, the petty cash fund must be located on the campus of FSU in Tallahassee or in a dedicated bank account in the name of the custodian. If the petty cash fund is located on campus, the fund must be administered



through a lockable cash drawer to which no one, except the designated custodian, has access. At no time is the petty cash fund to be removed from campus.

***E. Approved Uses***

Petty cash may be used to pay for postage, minor supplies, refreshments, copy services and other miscellaneous operating expenses. Other uses may be provided by the Foundation at the time the petty cash fund is established. The total of a petty cash fund should “turn over” every three months. Funds that turn over less frequently are usually too large or unnecessary and may be recalled.

***F. Procedures***

**1. Making Purchases from Petty Cash**

Employees bring itemized receipts for purchases made with their own funds. If the purchase is approved, the custodian will keep the original receipt and reimburse the purchaser with petty cash funds.

When cash is issued from a petty cash fund for purchases in advance, the custodian will obtain an itemized receipt for the amount of the advance from the person who will physically purchase the goods or services. This receipt is placed in the petty cash box. The purchaser will then return to the custodian a receipt from the vendor and any change due the petty cash fund. The receipt for the cash advanced to the buyer is discarded. The vendor’s receipt is placed in the box. If the amount of the purchase totals more than the amount advanced to the buyer, the difference may be paid to the buyer at this point.

The general rule of not requiring a receipt for incidental expenses costing less than \$25.00 does not apply to Petty Cash purchases. All purchases, regardless of amount, must be documented with an itemized receipt.

The custodian will note all expenditures on the Petty Cash Disbursement Itemization Form, identifying the date, vendor, purpose and amount.

At all times during this process, the amount of cash plus documentation for funds advanced or expended must equal the original amount of the petty cash fund.

**2. Requesting Petty Cash Replenishment**

When Petty Cash is in need of replenishment, the custodian will gather all receipts and compare them to the itemization form to ensure that all expenses are properly recorded. The itemization detail is totaled and the balance of the form completed. A Disbursement Request should be completed requesting reimbursement for the amount of the attached receipts detailed on the itemization form.

### **3. Closing a Petty Cash Fund**

To close a petty cash fund, the custodian must remit all unused cash on a Non-Gift Transmittal Form, explaining the remittance is for the purpose of closing the petty cash fund. If, at the time of closure, the petty cash fund includes receipts for unreimbursed purchases, the Petty Cash Disbursement Itemization Form should be completed and included with a Non-Gift Transmittal Form.

The FSU Foundation Disbursement Policy & Procedures are intended to be used as a guideline and can be revised or changed at any time as deemed necessary. A complete list of all forms can be found on the Forms and Resources page of the Foundation website at <http://foundation.fsu.edu/about/forms-and-resources>. Should you have further questions, please contact the Foundation Accounts Payable office directly.