

# **The Kennesaw State University Foundation**

## **Expenditure Control Guidelines**



**October 07, 2024**

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# KSU Foundation Expenditure Control Guidelines

## 1.0 General Guideline Regarding Expenditure of Foundation Funds

The mission of the Kennesaw State University Foundation is to serve as an advocate for the University, and to receive, invest, account for, and allocate private gifts and contributions in support of Kennesaw State University. Private philanthropic support depends, in part, upon the confidence donors have in the Kennesaw State University Foundation's commitment to sound fiduciary management of funds, including expenses. As employees of the University System of Georgia, all KSU personnel are therefore subject to USG rules and regulations with respect to expense reimbursements and other financial support.

Accordingly, the following general principles apply in judging the appropriateness of expense reimbursements:

1. All expenses must be both reasonable in amount and have a **business purpose** that directly benefits and supports the mission of Kennesaw State University and the appropriate college, school, or department requesting payment or reimbursement.
2. **All Kennesaw State University employees should initially seek reimbursement from Kennesaw State University using state funding to the maximum extent permitted under USG Rules and Regulations.** Thereafter, an application should be submitted to the Kennesaw State University Foundation through Financial Edge for reimbursement for any expenses not covered by the state.
3. Anyone requesting reimbursement from the Kennesaw State University Foundation should consider that reimbursable funds come from donor-provided dollars and all expense requests are subject to audit by the USG and open to public scrutiny and open records requests. All expense requests must be properly documented, reasonable in scope, related to university business and **must be in compliance with the donor's original intent for use of the funds.**
4. While the KSU Foundation is committed to sound fiduciary management of the funds held by the Foundation, responsibility for the distribution of funds is the ultimate responsibility of the "owner" of the accounts and final approver of any reimbursement requests.
5. Any expenditure viewed as having a personal or fringe benefit to an individual, and therefore not benefiting the University, are not allowable expenses (unless specifically approved by the President of Kennesaw State University in accordance with Section 12.5 Cooperative Organizations of the Board of Regents Policy Manual, Official Policies of the University System of Georgia.)
6. Requests for reimbursements must be approved by a university employee senior in job position to the employee making the request (therefore considered the "owner" of the account). Approvals for expenditures from the President's Office shall be approved by the Vice President of Finance.

Whenever possible, the unit/department should seek to obtain direct billing/invoicing from vendors.

## **1.1 Required Documentation Needed When Requesting Payment Using Foundation Funds**

Before any qualifying expenditure is submitted to the KSU Foundation for processing, the following documentation should be compiled and attached:

- 1. Actual scanned copies of both the detailed (itemized) receipt and the transactional total, including tip, or a copy of a detailed vendor invoice (sales tax should be added).**
- 2. Regarding reimbursements, if a bank/credit card was used and the cardholder's name is NOT printed on the receipt, the following is required: A) Picture of card ONLY showing the cardholder's name and the last four (4) digits OR B) A bank statement showing ONLY the transaction(s), card holder's name, and the last four (4) digits. Apple Pay users must provide a statement, or another form of ownership, for proof of purchase.**
3. An agenda, itinerary, brochure, or announcement showing the business purpose and details of the activity.
4. A copy of an agreement or contract between the University and an outside vendor should also be attached for any goods or services rendered.
5. A copy of the design approval for items with the KSU logo.
6. A list of all attendees and participants for all activities with the attendees' relationship to KSU (Faculty, Staff, Student, Donor, Board Member, Consultant, etc). If this is an open event, have it specified in the business purpose and include the flyer or invitation.
7. A detailed explanation in Financial Edge specifying how this expenditure benefits the University, college, or department directly, and how it relates to the donor's original intent (if applicable).
8. If the vendor is not already established in Financial Edge NXT, a completed and signed IRS W-9 form must be returned to the Foundation. An IRS W-9 form is not needed for reimbursement request for KSU employees for expenses incurred; their name and current campus mail drop is sufficient.

## **1.2 Payroll-Related Payments**

The KSU Foundation cannot make direct compensation payments to any KSU employee (including student workers) or members of their immediate family for salaries, stipends, or gifts for services without the approval of the KSU president, or in the case of the president or the president's immediate family, the BOR Chancellor. All such payments should be processed through KSU's Human Resources and will be reimbursed to KSU from Foundation funds.

### **1.3 Foundation Direct Pay vs Reimbursement**

While Foundation funds allow for additional flexibility, all expenses allowed under State rules and regulations are processed through KSU to avoid the appearance of circumventing KSU expense controls. See Appendix A for examples of unallowable expenses for state funds. This list is not all-inclusive. If you have questions regarding allowable expenses, please contact the Kennesaw State University compliance department at [https://kennesaw.service-now.com/ofs?id=sc\\_cat\\_item&sys\\_id=18e8c73adbfefc503a5ec5530596197b&sysparm\\_category=138a233bdb0a3010f5316a5b8a9619e1](https://kennesaw.service-now.com/ofs?id=sc_cat_item&sys_id=18e8c73adbfefc503a5ec5530596197b&sysparm_category=138a233bdb0a3010f5316a5b8a9619e1) for clarification. Supporting documents are still required for backup for the use of Foundation Funds per the State Policy. Reimbursements with Cash Payments are only permitted with Dean or Director Approval. Personal items cannot be purchased with items for reimbursement; these receipts will not be accepted. Any reimbursements for Faculty, Staff, or Students must be submitted within sixty (60) days of the purchase.

### **1.4 Approvers**

All approvals must be completed in a timely manner. It is the approver's responsibility to go over each submission and make sure the information is correct and accurate. If an approver will be out on vacation, leave, extended absence, or leaves the position, a new approver must be designated for the time being. This can be done by filling out an Expense Management Add / Change Request form. See Section 16.3.

## 2.0 Meals

KSU Foundation funds may be used for payment to vendors or individuals for expenses related to meals and entertainment incurred while conducting official University business. All such expenditures paid from the Foundation must be in accordance with the governing fund agreement (donor intent) for that fund. The following information must be documented in Financial Edge:

- What Foundation account is to be used?
- Where and when did the event occur?
- What was the business-related purpose of the event?
- How did the event benefit the University?
- Who was in attendance and what is their relationship with KSU? (Student, Donor, Faculty/Staff, Board Member, Trustee, Corporate Partner, Vendor)
- What role did those in attendance have in the success of the event?

Each respective Vice President, Dean, or Director is responsible for determining whether each expense is appropriate, moderate and in support of furthering institutional goals or programs before submission.

In most cases, all arrangements for meals or catering should be made using reasonably acceptable practices in accordance with the State of Georgia's per-diem guidelines. **All on-campus catered events must adhere to the Kennesaw State University Catering Policy. All requests for reimbursements using outside vendors must follow university policy and should include a copy of the exemption form when necessary.**

<http://events.kennesaw.edu/event-resources/catering.php>. All attendees should be directly involved in the business purpose related to the meal and should not include spouses (unless their attendance has a bona fide business purpose that directly benefits the University). Business meals should include tips within a reasonable amount. **Up to 20% of meal tips are allowed for reimbursement**, this is calculated before any discounts and after tax.

In the case of potential employee search committee sponsored meals, additional guests may be included. Reimbursements for all in-town meals involving non-University personnel are allowed so long as there is a documented business purpose benefiting the college or department. Understanding that spouses often help develop a significant relationship with donors, expenses incurred on behalf of spouses/partners should be approved by your supervisor prior to occurrence.

As a general guideline associated with hosting meals, the cost of the meal can be determined by the type of event you are hosting, and the business purpose related to the meal. **Exceeding the allowable guideline amounts may be deemed permissible so long as it is appropriately documented and appropriate for the type of event held. (Meal Expense Grid on pg. 6).**

## 2.1 Meals When Traveling

All meals incurred by university employees during university approved travel must first be processed through the University (Concur) for reimbursement from state funds. Any remaining meal expenses will be considered for reimbursement following the KSU Foundation's guidelines as listed below.

## 2.2 Meals Table

The following are instances where meals and entertainment expenses are allowable:

<b>Attendants:</b>	<b>Business Type:</b>	<b>Restrictions:</b>	<b>Allowable Expense:</b>	<b>Alcohol Allowed:</b>
External Guest & Employees	Donor & Gift Relations/Cultivation of Significant Relationships	No more than 3 University Employees	\$75.00/person (excluding gratuities)	Yes
External Guest & Employees	Conducting Business or Attending Seminars, Conferences, or Business Meetings		\$40.00/person (excluding gratuities)	Yes
Employees /Students /Internal Events (Group)	Trainings, Departmental Meetings, Retirement Parties, Holiday Parties, All-Staff Retreats, etc.		\$30.00/person (excluding gratuities)	No; except as noted in 6.4*
Employees (Individual)	Travel/Training		University Reimbursement through Concur	No*

\*Exceptions to the alcohol policy may be allowed but require prior approval.

## 2.3 Alcohol Purchases

The purchase of alcoholic beverages is allowed only for employee morale events (See 6.4 Department/Office Celebrations & Holiday Parties, pg. 9), and while hosting meals that include external guest(s) while conducting official KSU business. Any other alcohol related expenditure is not an allowable expense. Any allowable alcohol purchase should be justifiable and kept to a reasonable amount. Any alcohol-related purchase viewed as excessive in cost may be denied by the KSU Foundation at the discretion of the Chief Executive Officer.

<https://events.kennesaw.edu/external-events/procedures.php>

<https://events.kennesaw.edu/docs/Alcohol%20Request%20Form%20-%20Campus%20Event.pdf>



### **3.0 Employee Travel**

Employee travel expenses for mileage, lodging and meal per-diems must adhere to KSU and USG travel policies and procedures and be processed through the University's travel department for reimbursement. Reimbursement for travel expenses related to meals fall under Section 2.0 Meals and Entertainment. Please refer to the Kennesaw State University Travel Policy for information about reimbursable travel expenses. <https://fiscalservices.kennesaw.edu/travel/>

**Travel cash advances are not allowed by KSU Foundation.**

### **3.1 Non-Employee Travel**

Expenses associated with travel for non-KSU employees providing professional services (contractors, consultants, honorariums, etc.) or other KSU related business are reimbursable directly to the individual. These third-party payments will require a service contract or agreement listing the specific services, amounts, and any allowable contingencies. For questions regarding the contract review process, please visit <http://legal.kennesaw.edu/contracts.php>. These contracts/agreements must be reviewed and approved by KSU's Legal Affairs Department, approved by the appropriate KSU administrator, and submitted to the KSU Foundation prior to execution. A copy of an IRS W-9 must also be submitted prior to any services rendered.

### **3.2 Student Travel**

Expenses associated with travel for Kennesaw State University students traveling on behalf of or representing the University are governed by University System of Georgia Guidelines and may be reimbursed directly by the KSU Foundation. Reimbursements to students for any travel expenses require documentation outlining the business purpose of their travel, an email approval from the appropriate administrator of the college/department, and a signed copy of the Student Waiver Form from the Office of Student Affairs releasing the University and KSU Foundation from any liability or wrongdoing. Each student must work in coordination with the business manager of the department funding the travel to request his or her own reimbursement and submit a completed IRS W-9 form before any reimbursement is disbursed. See Section 6.5 for Student Retreats.

### **4.0 Sponsorships**

KSU colleges and schools may use KSU Foundation funds to participate in sponsorships in external, community-oriented, charitable, or business-related events. Organizations in an established partnership or cooperative affiliation with KSU may also qualify for sponsorships provided that the relationship benefits the college/school or enhances KSU's mission or image. Examples of approved sponsorships include, but are not limited to, the Devereux Advanced Behavioral Health of Georgia's 2017 Hope Event (COTA), the University System of Georgia Foundation Gala, and the Women in Electronics.

## **5.0 Professional Related Expenses**

### **5.1 Professional Certification or Education Training Courses or Course Materials**

Expenses related to acquiring and maintaining Professional Certifications or Education Training are reimbursable expenses provided that the certification/training is directly related to the day-to-day duties of the employee or beneficial to the department/college. Course materials related to any certification/training are also allowable expenses. Documentation for reimbursement must include original receipts/registrations and direct supervisory approval.

### **5.2 Professional License or License Renewal**

Expenses related to acquiring and maintaining Professional Licenses or License Renewals are reimbursable expenses provided that the license/renewal is directly related to the day-to-day duties of the employee or beneficial to the department/college. Documentation for reimbursement must include original receipts/renewal applications and direct supervisory approval.

### **5.3 Professional Memberships/Dues**

Expenses related to Professional Memberships and Dues are reimbursable expenses if membership in a club, organization, or society directly benefits Kennesaw State University through the employee or departments' involvement. Memberships/dues deemed to be purely social in nature or considered a "fringe" benefit (Section 7.0). Examples of allowable memberships include, but are not limited to, the Association of International Certified Public Accountants (AICPA), Cobb County Chamber of Commerce, and NASPA, - Student Affairs Administrators in Higher Education.

## **6.0 Entertainment**

All entertainment or events should be reasonable and appropriate in cost and should only include those necessary to achieve the business purpose. Expenses that are excessive in frequency, number of participants, and/or cost, may not be approved by the Foundation at the discretion of the Chief Financial Officer.

Entertainment among KSU Employees is not allowable. This includes, but is not limited to, non-KSU sporting events, individual activities (bowling, top golf, mini golf, arcade, etc.), shows/concerts, etc. KSU Foundation funds may be disbursed for tickets and/or suites purchased for use for university related business, donor and gift relations, and cultivation of significant relationships. These requests must first be submitted to the Division of University Advancement for approval.

## **6.1 Faculty/Staff Retreats and Team Building Activities**

Any expenses related to Faculty/Staff Retreats and/or Team Building Activities, outside of those covered by Kennesaw State University, will be considered on a case-by-case basis and should be submitted for approval prior to the event. Travel expenses associated with faculty/staff retreats are considered “employee travel” and fall under the guidelines listed in Section 2.0 and Section 3.0 above for meals, mileage, and lodging.

Employee retreats and/or team-building activities are allowable, as long as they follow the table in Section 2.2. An agenda, an invite/flyer, and a list of attendees must be included with the supporting documents.

## **6.2 Faculty/Staff Training and Professional Development**

Expenses related to Faculty/Staff Training and Professional Development are considered reimbursable expenses under the guidelines listed in section 5.1 Professional Certification or Education Training Courses or Course Materials. Any other expenses related to Faculty/Staff Training will be evaluated on a case-by-case basis and should be submitted for approval prior to the training. Employee events deemed social in nature, such as bowling, laser tag, etc., are not considered Professional Development and therefore, are not allowable reimbursable expenses.

## **6.3 Office Receptions and Employee Retirement**

Office Receptions and Employee Retirement Parties are an allowable reimbursable expense for employees that have been employed by Kennesaw State University for over 10 years. Eligible retiree parties should be discreet in nature and of reasonable expense and must be funded through a departmental account. No more than \$20.00/person (excluding gratuities) should be allocated for retirement parties. Any expenditures related to tokens of appreciation for “years served” other than plaques/or other personalized awards are not allowable reimbursable expenses. Expenses related to honorary plaques for recognition and/or morale must be valued less than \$150. Exceptions to this policy will be considered on a case-by-case basis.

## **6.4 Department/Office Celebrations, Holiday Parties & Employee Gatherings**

Office gatherings and celebrations are allowable to boost morale within the departments. No more than three (3) events can be expensed using foundation funds during a fiscal year. These social gatherings require the approval of the Dean or Vice President prior to submitting expenses for payment/reimbursement. Events should be inclusive of a large group or a broad group of KSU employees, and not intended for small gatherings. The Foundation funds will cover the cost of food and drinks, but not entertainment (bowling, top golf, etc.). Anything personal in nature should be personally funded. Social events in this nature can include alcohol, following KSU policy. For more information, please visit <https://events.kennesaw.edu/external-events/procedures.php>.

Departments are allowed to purchase tickets and/or suites to KSU athletic events, concerts, or student performances for faculty/staff awards/appreciations. These expenses should be kept at a minimum, approved by the Dean or President's Cabinet Member, and reported to Payroll.

## **6.5 Student Retreats**

State funds should be utilized for all Student Retreats and other student activities. The retreat/trip coordinator will need to go through Financial Aid and Financial Aid will need to notate approval on the student's account to acknowledge the amount that is being awarded. Foundation funding will only be considered if not allowed through State funds. Pre-Approval by the Dean or Director will be required, along with a Business Purpose. An email from Financial Aid will need to be sent to the Foundation, including all other supporting documents for approval by the Foundation. The email from Financial Aid must state, "this amount has been notated on the student's account" or "this does not need to be notated on the student's account." The list of student names must be included in the body of the email sent to Financial Aid. See Section 3.2 for Student Travel. Please contact Financial Aid if there are any questions or concerns.

## 7.0 Fringe Benefits to Employees

The Foundation's expenditure guideline allows expenses that have a supportable business purpose and do not result in the personal benefit to any individual including employees of Kennesaw State University. Expenditures that may be viewed as having a personal benefit to an individual, and therefore not benefiting the University directly, are not considered allowable expenses. If it is determined that a KSU employee has derived personal benefit from an expenditure of the Foundation, that information will be reported to the Kennesaw State University's Human Resources and may be included in the employee's taxable income reported on their W-2. The Foundation follows the guidelines explained in Internal Revenue Service Publication 15-B (as revised annually). For policies related to non-employees, please see the section related to reporting income on IRS Form 1099 MISC Income.

Given the time needed to compile this information from Foundation expenditures, the period from December 1<sup>st</sup> to November 31<sup>st</sup> is used for taxable fringe benefit reporting for each calendar year ending December 31<sup>st</sup>. Expenditures commonly considered a personal benefit to an individual include the following:

- Non-business-related spousal travel expenses
- Personal portion of social club memberships
- Moving expenses not deductible under the IRS guidelines (NOTE: KSU Relocation and Moving Expense policy should be followed, and the Foundation can only fund certain exceptions, but those exceptions will only be considered for payment once KSU has processed and signed off on the request)
- Personal/Unauthorized use of Foundation property
- Athletic tickets for spouse/family members (not related to business)
- Entertainment expenses (dinners, theatre, etc.) not utilized for business purposes

Any expenses paid on behalf of family members or friends qualify as a fringe benefit to the employee and will be reported to KSU's Human Resources Department. Human Resources will decide whether these expenses are considered taxable fringe benefits and determine the status for reporting to the IRS. The KSU Foundation complies with KSU policy and reports all potential fringe benefit expenses to Human Resources each year by November 30<sup>th</sup>. In some cases, the amount considered taxable to the employee must be estimated based on a percentage of use for business and personal purposes, such as car allowances and social memberships. Please contact the KSU Foundation Accounting Office for questions regarding any potential fringe benefits.

## **7.1 Club Memberships (Social Only)**

Memberships (monthly fees, initiation fees, etc.) in a social club shall be considered for approval to be reimbursed only if it is determined that the primary use of the membership will be to conduct official Kennesaw State University (KSU) business and where most of the use is for purposes directly related to a senior administrator's duties. In addition, no membership will be approved for a club that engages in discriminatory policies or practices. Institutional Memberships rather than individual memberships shall be obtained whenever possible. All memberships must be approved by the President and will be reviewed annually.

Paying monthly invoices is the member/employee's responsibility.

Expenses from usage and services will be reimbursed for non-personal expenses that have a business purpose that directly benefits and supports the mission of Kennesaw State University.

Reimbursement of all approved social club membership dues will be reported to KSU payroll to be included as employee compensation. This includes initiation and transfer fees unless circumstances allow for the ownership of said membership to be retained by the University.

## **7.2 Gifts to Employees**

The KSU Foundation does not permit the purchase of gifts, other gratuities to university staff, faculty, and student employees (honorary plaques recognizing business accomplishments are not considered gifts). The IRS considers gift cards and gift certificates equivalent to cash and must be reported as gross income to the recipient (this is true for non-employees as well).

Items of de minimis value (e.g., \$25 per IRS) may be given to encourage attendance at special events or meetings; either the gift should be given to all who attend, or the recipient should be randomly chosen, such as a door prize (NOTE: expensive door prizes are considered taxable income and are reported to the IRS for employees and non-employees).

## **7.3 University Issued Apparel**

All University logoed or branded apparel may be purchased with Foundation funds and issued to the appropriate departmental/divisional staff so long that it is appropriate and required for employee use. Any apparel purchase costing \$50 or less per employee/per calendar year will be considered a *de minimis* fringe benefit and will be non-taxable to the employee. In the instance where the costs of the apparel exceed this *de minimis* value, Payroll Services should be consulted prior to the purchase for a determination on the taxable status of the apparel.

This does not include clothing that is required to be worn for the employee's safety and protection while on the job (hard hats, gloves, etc.) and clothing that is required to be worn as a condition of employment and is considered unsuitable for ordinary wear (Chef Coats, Police Uniforms, Health Care Professional attire, etc.).

## **8.0 Appliances and Other Equipment**

KSU Foundation funds may be used to purchase certain appliances to be used for employees, visitors and/or students. Generally, these appliances (refrigerators, coffee makers, and microwaves) should service a common area and be accessible to multiple people unless utilized specifically for laboratory or research purposes. Appliances purchased with KSU Foundation funds must be gifted to the University and will be considered property of the University in accordance with the rules and regulations of the University System of Georgia (USG) and the Department of Administrative Services (DOAS). In the occasion that appliances are purchased with personal funds, receipt of transfer to the University is required prior to submission for reimbursement. Assets meeting certain criteria may be tagged and tracked by the University.

Other equipment, including all computers, computer-related hardware and software, are considered assets of the University. Therefore, the purchase of these assets should be coordinated with the Office of Procurement and Contracting and must follow KSU policies and procedures. KSU Foundation funds may be used to reimburse the University for these expenditures.

## **9.0 Fellowships/Stipends – (Nonemployees/Students)**

Fellowship/Stipends are considered an allowable expense for foundation funds. If a service component exists as part of receiving the fellowship/stipend, then payment can be processed through KSU and reimbursed from Foundation. If no service component exists, then the expense should follow Section 10.1.

Any requests for payments should have prior approval from the Dean of the college, and Financial Aid needs to sign off.

It is the responsibility of the submitter to verify that there is not an employee relationship with KSU requiring payment to be processed through Payroll.

## **10.0 Prizes, Awards, Recognition, Gift Cards - Employees**

KSU Foundation sponsored awards, prizes, or tokens of recognition for employees are allowable expenditures if coordinated closely with a sponsoring department/school and approved by the appropriate administrator or the University President. All prize/award amounts must be processed through KSU's Payroll. Gift cards will be evaluated on a case-by-case basis and must be pre-approved by the Foundation. Gift Cards for Faculty/Staff that are over \$25.00 must go through Payroll.

## **10.1 Prizes, Awards, Recognition, Gift Cards - Students**

KSU Foundation sponsored awards, prizes, or tokens of recognition for students (non-student employees) are allowable expenditures if coordinated closely with a sponsoring department/school and approved by the appropriate administrator or the University President. All prize/award amounts exceeding \$100 in value may be submitted for reimbursement/direct pay to the Foundation and must be accompanied by an IRS Form W-9 for the student. All Gift Cards for Students must go through Financial Aid. Student Assistants employed by KSU also fall under Faculty/Staff. All recipients must sign documentation to show proof of receipt. These guidelines are set by the IRS publication 463.

## **10.2 Donor Appreciation, Recognition and Cultivation**

**Gifts to Donors – Max \$150 without exception approval** – Gifts to donors or potential donors are allowable so long as they are personal in nature and less than \$150. While certain cases may call for gifts to exceed \$150, this should have prior approval from the Chief Executive Officer. Gift cards and cash are not considered personal and are therefore unallowable. Gifts cannot be sent to donors that direct contributions from DAFs or Private Foundations. Gifts to Trustee's will be considered as reportable income because Trustees are considered volunteers.

Employees or their families may NOT receive gifts as donors.

**Tickets to Events** – Tickets to KSU events are allowable. Tickets to external events should follow the same rules as Gifts to Donors.

**Donor Plaques** – Donor plaques are allowable.

**Flowers** – Flowers are permitted.

**Holiday Cards** – Holiday cards are permitted.

**Meals** – Meals fall under Section 2.0.

## **10.3 Bereavement**

Flowers or donations made in memory may be reimbursable expenses when sent in honor of students, faculty, staff, or immediate family (spouse or child). All other honorariums should be privately funded. All donor bereavement expenses should follow Section 10.2. Exceptions to this policy may be considered on a case-by-case basis.



## **11.0 Use of Contracts & Agreements**

All service-related payments and non-employee payments for outside vendors performing professional services (contractors, consultants, honorariums, etc.) are considered third party payments. These third-party payments will require a service contract or signed agreement if the service or product provided includes capital repairs, catering, or electronic equipment and exceeds \$2500 in value. All contracts/agreements must list the specific services, amounts, and any allowable contingencies and must be reviewed and allowed by KSU's Legal Affairs Department, approved by the appropriate KSU administrator, and submitted to the KSU Foundation prior to execution. A copy of an IRS W-9 must also be submitted prior to any services rendered. For questions regarding contracts, please go to <http://legal.kennesaw.edu/contracts.php>.

Payments to third party vendors may not be paid in advance of service(s) performed unless the contract stipulates the remittance of a deposit. Final payment cannot be disbursed until all service has been rendered, inspected and signed-off on as completed and payment has been approved by the KSU Authorized Approver.

If there are questions about contracts, visit the Contract Compliance website at <https://fiscalservices.kennesaw.edu/contracts/index.php>.

## **12.0 Special Events, with Alcohol, Requiring Foundation to sign Contract**

Contracts for hosting certain events are not acceptable under university policies and therefore cannot be signed by KSU. (Contracts for alcohol) The Foundation's Chief Financial Officer will sign these contracts so long as there is prior approval from the appropriate administrator (CBO/Committee for events). Once approved and signed, the Foundation assumes no responsibility for logistics of said event. In certain cases, the Foundation will pass along additional costs incurred, such as legal fees and insurance.

## **13.0 Coffee/Water/Soda/Snacks**

General expenses related to purchases of coffee, water, soda, and snacks are permissible provided that their use is restricted for donors, guests, or meetings scheduled for legitimate business purposes. Personal consumption for everyday employee use is strictly prohibited.

## **14.0 Lobbying Expenses**

Lobbying expenses related to the promotion, advancement or advocacy of Kennesaw State University are considered allowable expenses and are eligible for use of Foundation Funds. Lobby expenses are defined as any expense incurred to influence or persuade specific legislation for the benefit of KSU. Under no situation is a lobbying expense to be related to or used to promote, condone, or support a potential candidate for political office. All lobbying expenses must be approved and sanctioned by the Office of Government Relations.

## 15.0 IRS 1099 Miscellaneous Income Form

The Kennesaw State University Foundation follows the Internal Revenue Service's guidelines for the issuance of 1099 Miscellaneous (MISC) Income Forms to individuals/corporations who receive payment for rents, contract services, honoraria, legal fees, consulting fees, prizes or awards, reimbursable expenses for which original receipts are not provided, and other income payments during a calendar year. For definitive examples of reportable income and the minimums that apply each year, consult the IRS's website at <https://www.irs.gov/forms-pubs/about-form-1099misc>. Social security numbers and taxpayer identification numbers are required for any check requests submitted for payment of these type expenditures. For this reason, an IRS W-9 form is required for all vendors, companies and individuals who are non-KSU employees.

The KSU Foundation's generates a report after the end of each calendar year that identifies vendor IDs coded for 1099 MISC Income reporting. The 1099 MISC Income coding is taken from the vendor's W-9 form submitted. The Foundation also includes any payments made during the calendar year that are considered taxable income reported on a 1099 MISC Income Form and were not included in the system's report. Payments not included in the system report are usually reimbursement to an individual for previous payment to a business or person for a service. This type of reimbursement is considered a third-party payment. Most vendors will bill directly either before or after an event. If a vendor will not bill directly and a third-party payment is the only means of conducting University business, then the Foundation will require an IRS W-9 form completed for this vendor. The Foundation has established this guideline to comply with IRS rules and regulations regarding miscellaneous income reporting.

Form 1099-MISC Income forms are completed and mailed to recipients by January 31 for the previous calendar year. The Foundation e-files this information to the Internal Revenue Service(IRS) by March 31<sup>st</sup>.

## **16.0 Foundation Formstack Forms**

KSU Foundation Forms in Formstack can be found on the KSU Foundation website at <https://foundation.kennesaw.edu/forms.php>. These forms assist with processing requests in a timely manner and are required. Forms should be filled out accurately as this will affect the routing process for approvals. Any changes to Approvers need to be made aware to the Foundation so the forms can stay updated. If there are any questions, concerns, or updates, contact the Foundation Accounts Payable Manager at [ksufoundationap@kennesaw.edu](mailto:ksufoundationap@kennesaw.edu).

## **16.1 Foundation Funds Transfer Request vs. OwlPay or Simple Journal**

The Foundation Funds Transfer Request Form is used for any Foundation funds to be transferred from one Project to another Project.

**OwlPay and Simple Journal are used to transfer State Funds only.**

## **16.2 New Foundation Project Request**

The New Foundation Project Request Form is used anytime a new Project is needed. Projects will only be created if there is not currently a Project that will already meet those needs (avoiding duplicates), has a secured gift of greater than \$1,000, and/or is a dean's initiative. Supporting documents must include a defined business purpose.

## **16.3 Expense Management Add / Change Request**

The Expense Management Add / Change Request Form is used for new employees that need to be added to the Blackbaud Financial Edge NXT Expense Management system or if a current employee needs to be modified. This form also needs to be submitted anytime an employee leaves their position.

## **16.4 Fund/Project Renaming Request**

The Fund/Project Renaming Request Form is used anytime a fund/project needs to be modified.

## **16.5 Update Approval Rule Request**

The Update Approval Rule Request Form is used when a position is vacated or modified, and the Approval Rule needs to reflect those changes. It is also used for a new incoming employee that needs to be added to an Approval Rule.

## Appendix A: Unallowable Expenditure List for Use of State Funds

- Alcohol – unless part of an instructional program, i.e., culinary program
- Chamber of Commerce Membership Dues
  - There may be some events hosted by chambers that are allowable; check with Compliance
- Gifts/awards for employees
  - Paper Certificates acknowledging service, etc. are allowable
  - Monetary awards for employees are not allowable, but for reporting purposes would be paid through the university and reimbursed by the Foundation.
- Gifts/giveaways more than di minimums value (\$100) to students or guest speakers
- Event tickets, such as football tickets, to be given away to employees or the public
  - May be purchased from student activity funds if they are to be given to student groups – check with Compliance
- Donations – not allowed, for any kind, from any fund group
- Sponsorships –Only allowable if the value of advertising is equivalent or more than the amount paid for sponsorship – check with Compliance
- Gift Cards
  - Exception for research participants
  - Possible for student giveaways if small dollar amount and signatures obtained for each recipient
- Greeting Cards
  - Doesn't matter what the circumstances, this is considered a personal item
  -
- Personal Use Items which are stored in an individual office
  - Coffee machines
  - Microwaves
  - Refrigerators
  - Table radios, briefcases, and similar items used for personal use
  - Exceptions include
    - Items purchased for common areas, such as a kitchen or breakroom are allowable purchases
- Decorations:
  - Holiday Decorations
  - Cut flowers/plants
  - Wall Art for individual office.
- Entertainment- Personal amusement, social activities, or entertainment (outside of activities directly related to university functions or purposes)
- Non-business-related magazine and/or newspaper subscriptions
- Donor Appreciation - Watches, groundbreaking shovels, and other items granted as a donation or gratuity in favor of a person, corporation, or association for individual ownership
- Membership dues for personal, social, civic, community, warehouse, or travel clubs/organizations for the benefit of individuals.
  - Possible exceptions may include:
    - Transferable individual memberships, which benefit the University

- Memberships that are required as a condition of employment
- Memberships that are required for accreditation of a department or program
- Membership fee plus a registration fee to an organization's conference if they are less than the non-member organization fee
- Memberships that result in a discount on beneficial publications (whether it be "printed" or online) that is greater than the cost of the membership
- Parking - University parking permits for employees or students
- Citations - Traffic citations for either personal or University vehicles
- Clothing, such as tuxedos, used for commencement services or other personal use
- Personal moving expenses
- Gifts - Retirement gifts or gifts of any nature, gift cards, etc.
- Personal articles that have been lost or stolen
- University-sponsored event expenses incurred that do not clearly support the University mission such as retirement parties or employee going away parties, including associated retirement gifts or gifts of thanks

