

FSA Expenditure Policy (effective August 12, 2022)

Statement of Policy

The Faculty-Student Association of SUNY Upstate Medical University (FSA) receives funds from a variety of sources to support its purpose to support and cultivate educational and social relations between students and faculty of Upstate Medical University (UMU). This policy is intended to ensure proper stewardship of such funds by providing guidelines for their appropriate use and to assist UMU departments in complying with all applicable laws, rules and regulations relating to the use of such funds. This policy is also intended to provide criteria for identifying non-compensation related expenses that are included for valid business purposes and are therefore permissible for payment by the FSA.

In general, all expenditures should:

- Serve a business purpose that pertains to the purpose and objective of the program and organization. Expenditures related to social events or gatherings that are not business or program related and are personal in nature are NOT allowable (For example baby showers, birthday, anniversary etc.)
- Be reasonable in that the expense is not extreme or excessive and reflects a prudent decision to incur expense commensurate with the business purpose. Refer to below for permissible expenditures and expense reasonability by expenditure category.
- Be appropriate in that the expense is valid with primary benefit to the institution and not the individual
- Be fully explained and be supported by original documentation
- Comply with all IRS Guidelines

Examples of Permissible Expenses

The following list highlights examples of expenditures that are generally permissible, but does not identify every type of expenditure that is permissible:

1) Food:

All parties involved in the meal should be identified. The number of meals ordered must match the list of expected attendees. For open events where invitations are not specific, a general description and estimate of attendance is sufficient. The itemized restaurant receipt is required. Where not self-evident, the business relationship of the parties involved should be identified.

The request for payment should include a note describing the business discussion which qualifies this as a business expense. If schedules require that meetings be held over a meal time, the reasonable cost of the meal is a permissible expense.

Food for student programs should be reasonable in cost for the event being held. All parties involved in the meal should be identified (for events where invitations are not specific, a general description and estimate of attendance is sufficient.) The same supporting documentation as stated above is required.

The per person costs should be reasonable and appropriate for the event being held. Per diem rates should be used as a general guideline to determine reasonableness. Current per diem rates can be found at: <http://www.gsa.gov/portal/category/100120>

Sales tax is not reimbursable. Tip and credit card surcharges are reimbursable as supported by the itemized receipt.

2) Conferences, seminars, professional development and team building:

Reasonable costs related to conferences, seminars, and other professional development activities that UMU employees and students attend are allowable. Costs are reimbursed after the event has occurred consistent with travel guidelines.

Team building and professional development events must be supported with the business purpose of the program and benefit to the institution. Meal expenditures related to the events must comply with the food reimbursement guidelines stated in #1.

3) Gifts and Recognition Awards to Employees:

Cash or cash equivalent gifts and recognition awards, such as gift cards and gift certificates, are never allowed and should be paid through payroll as taxable compensation consistent with IRS regulations. Other gifts and recognition awards to employees generally are not allowed except in the following instances:

Modest awards (e.g., shirts, cups, caps) to members of a working group designed to recognize membership in a team effort or to encourage camaraderie among team members is an acceptable business expense, but is limited in value to \$25 per person. Reasonable gifts to departing or retiring employees are permissible if the cost is reasonable, equitable, and commensurate with length of service and the nature of the position and conditions of the departure. An amount of no more than \$25 per year of service would be reasonable, not to exceed \$250, and must be given as part of a meaningful ceremony. Cash or cash equivalents (such as gift cards or certificates) must be treated as compensation and are not considered appropriate as retirement gifts.

Sympathy gifts such as flowers or fruit baskets for memorial services or extended illnesses of an employee, employee's spouse or living companion, child, parent, or a retiree, or other occasions that serve a bona fide business purpose, if sent in the name of the department or office are permissible. Sympathy gifts should not exceed the \$75 maximum amount, which is considered *de minimis* per the IRS fringe benefit guidelines. Supporting receipts must be provided.

4) Student Gift Cards & Students Awards:

Gift Cards may be purchased for student events, for such purposes as prizes or appreciation. If Gift Cards are purchased for student events, a record explaining the purpose of the card should be kept and cards should be accounted for with the name of the recipients kept on file and provided as support for reimbursement of costs.

Cash awards related to academic achievement may be given to students (e.g. Commencement awards, etc.) no greater than \$500. The student is responsible to determine the income tax implications of this award.

5) Honorarium nonemployees:

An honorarium is an acceptable business expense. A W-9 form needs to accompany the check request and filled out in its entirety. Honorariums to employees are not an allowable FSA expense.

6) Contributions:

Contributions to outside organizations may be made if it furthers the mission of the FSA and Upstate Medical University. Prior approval of the Vice President for Finance & Administration is required. If contributions are made to support or sponsor events such as business or philanthropic fundraising events (i.e. event tickets, sponsor table, etc...), conferences, and meetings, it is preferable that contributions be earmarked for programming costs rather than entertainment, food, or beverages.

Political contributions of any type are not permissible.

7) Memberships & Subscriptions:

Memberships in professional associations and subscriptions to appropriate publications and journals relevant to employee responsibilities and intended to increase business or educational knowledge, or general interest publications for use in departmental reception areas, are permitted.

8) Travel:

A travel expense report should be filed at the close of each trip and submitted within 30 days of the end of the trip (expenses will not be reimbursed in advance of the trip). The report defines the traveler(s), dates of travel, the destination, the business purpose of the trip, and the types of expenditures incurred.

Supporting documentation should accompany the report. The FSA is a tax-exempt organization and, like SUNY, is exempt from paying sales tax. Therefore, charges for hotels should not include sales tax.

Air travel should be by coach unless preapproved for an upgrade to business class in the instance of longer duration international flights. Receipts should be original; however, a copy of an electronic airline ticket or boarding pass, or Travel Agent itinerary is acceptable. If the travel is to a conference, any materials from the conference (such as a brochure showing location and dates) should also be submitted to assist in substantiating the business purpose of the trip. All travel expenses should be incurred for services rendered within the defined travel dates.

Examples of Non-Permissible Expenses

The following list highlights examples of expenditures that are generally not permissible but is not intended to identify every non-permissible expenditure.

a.) Sales Tax

The FSA does not reimburse sales tax for a transaction that would have normally qualified for a sales tax exemption if it had been processed using appropriate procedures of using the sales tax exemption form (i.e. Hotel charges/food/etc.).

b.) Salaries

Payments to employees or individuals that could be considered to be employees are not allowed.

c.) Personal Expenses

Expenses such as employee parking fees for Upstate facilities, parking tickets, etc. are not permissible.

d.) Donations for political funding are not allowed

e.) Cash or Cash Equivalent Gifts

Gifts given directly to employees in the form of cash, gift cards (see above), and lottery tickets are not allowed.

f.) Customer Club Memberships

AAA, Airline Clubs etc. are not permissible. Warehouse memberships, for example Sam's Club and BJ's may be allowable if in the name of UMU and used strictly for business related purposes.

g.) Social Club Memberships

Individual dues paid for membership in any club organized for business, pleasure, recreation, or any other purpose are generally not permissible

Policy Interpretation

In case of any doubt or difference of opinion as to the true intent of this policy, the final decision or the interpretation will be provided by UMU's AVP for Finance and Budget.

Exceptions

Exceptions to specific aspects of this policy may be made by written waiver by the Vice President of Finance & Administration with detailed substantiation justifying the exception or waiver and subject to the general policy requiring any expenditure to be reasonable, necessary and appropriate.

Questions

Please contact the Bursar's office if there are any questions.