

How to spend money from UM Foundation accounts

Disbursement of funds from Foundation accounts must be in accordance with UM Foundation and University guidelines (see UM Foundation Disbursement Guidelines below). Accounts must have adequate funds available. When requesting disbursement, a Foundation Request for Withdrawal of Funds form, available from the Foundation office, must be submitted to the Foundation for approval and payment. When the payee and authorizing signatory for the account are one and the same, the payee's immediate supervisor must approve the request. Certain distribution requests (as noted in the Guidelines below) require approval by senior campus administrators, to include the appropriate dean, University vice president, or University president.

Upon receiving a request form, Foundation accounting staff reviews the request and verifies signature(s) and other applicable information. Any questionable requests are referred to the Foundation's President or the Vice President for Operations for approval or follow up.

Disbursements will be made according to the Foundation's disbursement schedule. Requests received by the Foundation by Wednesday at noon normally will be paid on Friday afternoon.

UM Foundation Disbursement Guidelines

Allowable disbursements are for expenses incurred in keeping with the Foundation's mission of supporting The University of Montana with private resources. Donors provide funds to the Foundation with the expectation that those funds will be used to support University of Montana programs. The appropriateness of an expense should be considered before incurring it, and before requesting reimbursement from a Foundation account. Before disbursement, the Foundation reviews all requests to verify that the request is consistent with the stated intent of the donor. Unusual circumstances are to be cleared through the Foundation President or Vice President for Operations before the expense is incurred.

General Expenditure Categories

Foundation guidelines for determining allowable uses of Foundation funds include, but are not limited to, general expenditure categories as follows:

- 1. Salary/wage/award, moving expenses, or other payments.**

Support for compensation, awards, or moving expenses for a University employee is allowed. Payment will be processed through the University Payroll Office and funds will be transferred from the Foundation to the appropriate University account. Direct payment to faculty, staff, students, and/or other full- or part-time employees of the University is not allowed. Payments to all non-U.S. citizens are at the discretion of The University of Montana Foundation because special Internal Revenue Service regulations apply. If approved, these payments will also be processed through the University Human Resources Office.

Payments for country club dues, spousal or other family member travel or other payments that are deemed as compensation by the IRS are not encouraged but are allowed with authorization from the immediate supervisor. Request for such

payments will initiate notification of the University's Human Resources offices and the amount will be included as compensation on the employee's W2 form as appropriate.

2. **Honoraria, consulting fees, or contracted services.** Direct payment of an honoraria, consulting fee, or contract for services is allowed provided the individual receiving payment is not an employee of the University. If the individual is a University employee, refer to category 1. Payments to eligible individuals represent taxable income to the recipient and as such the social security number and current address of the payee must be provided at the time payment is requested. A request for payment by an independent contractor must include a completed and signed Contracted Services form, available at the Foundation or through the UM Bookstore.
3. **Entertainment expenses.** Reimbursement of expenses incurred for entertaining guests of the University is allowed when approved by senior campus administrators, as noted above. Reimbursement is limited to expenses incurred for travel, food, and lodging of guests and the associated expenses for the University employees accompanying the guests. Requests for reimbursement for entertainment expenses must include itemized receipts and list those individuals(including staff) who were present. Gratuity is limited to 20%.
4. **Receptions, Events etc.** Reimbursement for or payment of expenses incurred for activities such as receptions, events, etc., is allowed, provided the function is in conjunction with University related activities and has approval from senior campus administrators. If reimbursement or payment for alcohol is requested, the request must be accompanied by the UM alcohol approval form.
5. **Gifts.** Reimbursement for purchase of reasonable gifts, \$100 or less, is allowed. Reimbursement for gifts above this amount must be approved by the President. Requests for reimbursement must include the reason for the occasion or gift purchase.
6. **Contributions or donations to other non-profit organizations.** Contributions to other non-profit organizations are not allowed. A memorial donation, however, may be made in the place of flowers sent for a funeral.
7. **Association or Service Club dues.** Payment for individual faculty/staff members' association or Service Club dues is allowed with approval the immediate supervisor.
8. **Faculty and staff travel.** Reimbursement for receipted expenses for lodging and meals is allowed. If a receipt is lost for an expense of \$10.00 or less, the traveler may estimate the expense and be reimbursed. Original receipts are required for all expenses over \$10.00. The traveler may choose to submit receipted expenses **or** claim per diem (at University rates) for lodging and meals. Mileage will be reimbursed at the state rate or actual out of pocket gas expenses for fuel expended on the trip. "Unreasonable" travel expenditures as defined by the IRS or as otherwise prescribed by law are not allowed.
9. **Requests for Travel Advances.** Travel advances are allowed and must be received by the Foundation in accordance with the disbursement schedule prior

to travel. A copy, marked as such, of the original Request for Withdrawal of Funds form and original receipts are required to clear the advance upon return. Only one outstanding advance per person is allowed and it must be cleared within 30 days of travel. The Foundation President or the Vice President for Operations must approve exceptions.

10. **Magazine subscriptions or other publications.** Payment for magazine or other subscriptions or publications is only allowed when directly related to department teaching, research, and/or public service activities. Subscriptions must be mailed to a University department or office or to a UM Library.
11. **Supplies and capital equipment.** Purchase of supplies and capital equipment used for teaching, research, and/or service activities is allowed. Capital equipment is currently defined by the University as those items costing \$5,000 or more and having a useful life of one year or more. Purchases of capital equipment do not have to be made through the University purchasing system.

Title to and inventory control of capital equipment purchased from Foundation funds is automatically transferred to the University at the time of purchase, unless specifically indicated otherwise by the Foundation. Equipment purchased from Foundation funds will be recorded and labeled as a part of the University Fixed Asset System.
12. **Student scholarships and awards.** Funds for payments to students for scholarships or awards are transferred to UM as requested by the University. Direct payments to students are generally not allowed. If direct payment to a student is necessary, the check will be made out to The University of Montana and the student, and will be sent to Griz Central for distribution.
13. **UM Agency Funds.** Agency funds sent from The University of Montana to The University of Montana Foundation cannot be directly expensed from the Foundation. Payment requests must direct the funds to an index account held at The University of Montana Business Services office. That office makes the expenditure based on University of Montana guidelines.
14. **Other.** Uses of Foundation funds not directly related to the above categories, or relating to unusual circumstances, should be cleared through the Foundation President or Vice President for Operations before incurring the expense.

It is the intent of this policy to provide general guidelines with regard to the expenditure of funds donated to the UM Foundation for the benefit of the University. It is not meant to list every possible allowable or non-allowable expenditure as it is presumed that University personnel will, at all times, respect their fiduciary and ethical responsibility to the donors who have contributed these funds in support of the University's mission. Any expenditures that are for personal benefit or use are not allowed. Common sense and good business ethics dictate that such things as payment of traffic or parking fines, purchase of cultural or athletic tickets for oneself or other University personnel or students are not allowed. When questions arise as to the appropriateness of expenditure, it must be cleared through the Foundation President or Vice President for Operations before the expense is made. It will not be honored after the fact.