13. Policies and Procedures for Disbursements

I. GENERAL INFORMATION

A Request for Disbursement Form must be completed for all payments. Forms should be submitted within 30 days of the requested date of expenditure. Reimbursements should be submitted within 30 days of the expense.

Each request for disbursement must be accompanied by original documentation including the nature and description of the expenditure, its purpose and justification. Such documentation should fully spell out the "ordinary, necessary and reasonable" nature of the expenditure to achieve an appropriate institutional purpose. If the request appears vague, ambiguous or not clearly related to an institutional purpose, it will be returned for additional justification.

The Foundation is exempt from and will not pay New York sales tax. The Foundation will provide tax exempt certificates in advance of expenditures normally requiring sales tax.

A separate disbursement request for each of multiple payments to a single payee is not required. Rather, such payments may be grouped on a single request for disbursement form. This also applies to those situations in which more than one account is to be charged.

Requests for disbursement will not be processed if the fund is in deficit nor will requests for reimbursement under $5.00 be processed. Receipts may be accumulated until the request exceeds the $5.00 minimum.

If an order form or invoice is to be sent with the payment, please include a photocopy to be retained with the disbursement request.

Checks are disbursed weekly on Fridays after 2:00 p.m. Requests for disbursements must be received by the Foundation, UAB 226, by 12:00 noon on Monday in order to be included in Friday's checks. Requests received after this deadline will be processed the following Friday.

II. EXPENDITURES

Policies and Guidelines

The Foundation has a fiduciary responsibility to donors to use gifts for the purpose for which they were given. Expenditures must be "ordinary, necessary, and reasonable" in relation to the educational mission of the University and in accordance with the Foundation’s mission; that is, to strengthen the educational programs, research activities, and public service initiatives of the University. Expenditures should be supportive of these objectives and should not be of personal benefit.

The Foundation encourages Fund Managers and those seeking disbursements to make the fullest use of state or other resources whenever possible prior to requesting disbursement of Foundation funds.

Listed below are the general conditions required for disbursements. Expenditures must be:
1. Reasonable and have a legitimate business purpose.
2. Supportive of the University’s and Foundation’s mission and programs.
3. Consistent with the purpose and restriction of the fund from which the disbursement is sought.
4. Supported with appropriate documentation including original receipts, invoices, charge slips, etc.
   This documentation should agree with the amount of the disbursement request. Any differences must be explained.
5. Approved by an authorized signatory of the account.
6. In compliance with state and federal laws and Foundation policies.
7. "Arms Length" transactions. Expenditures must not inure to the benefit of a private individual.
   (See excess benefit transactions, pg. _____)
8. There must be sufficient funds in the account. It is the policy of the Foundation to pay all bills in a timely manner to avoid finance and late charges. In the event that finance and/or late charges occur, payment requires approval by the CFO of the Foundation.

Revised: 1/26/2015
Expenditures Requiring Advance Approval
Certain proposed expenditures require prior approval by the appropriate supervising administrative officer:

For academic units within schools or colleges, approval of the Dean of the school/college is required. Deans require approval of the Vice President for Academic Affairs
- Other campus administrative units require the approval of their respective Vice President.
- Vice Presidents require the prior approval of the President.

The Fund Manager or other requesting officer should set forth how the proposed expenditure satisfies the "ordinary, necessary and reasonable" business purpose in relation to the educational mission of the institution.

The Foundation must receive the approved request at least five business days prior to the proposed event and will provide final review. Prior approval forms may be obtained through the Foundation.

Among the expenditures that require advance approval before financial commitments or arrangements are concluded are:
1. Costs for events to be held in one's home that are University-related. (Please note that, upon prior approval, the Foundation limits its expenditures or reimbursements to the actual cost of the event [i.e. refreshments] and accepts no liability for damage or injury relating to the event. Hosts are encouraged to assure that they maintain appropriate insurance for potential risk.)
2. Meals and receptions where the only attendees are University employees.

Expenditures Not Allowed
The Foundation and the Foundation’s Funds are provided through the generous support of donors who are interested in supporting the mission of the University at Albany. As part of the Foundation’s careful stewardship of these contributions, it will not allow any of the following expenditures except as noted:
1. Expenditures deemed to be extravagant, excessive or which provide significant personal benefit.
2. Reimbursements for clothing to attend special events, i.e. formal wear.
3. Parking fines, towing charges, traffic violations, or other payments due to illegal actions.
4. Personal memberships to social clubs, airline clubs, etc. except for the President of the University, the Vice President for Athletics, and the Vice President for University Development and for other positions with approval by the Foundation Board Executive Committee.
5. Contributions to charitable and other organizations unless there is a programmatic relationship to the University as approved by the Executive Director of the Foundation.
6. Other expenditures not directly related to one's duties.
7. Holiday or celebratory events where there is no business purpose for the event.
8. Generally, costs for family members and friends to travel with staff on University business or attend University-sponsored events, such as dinners or receptions for visiting speakers or events noted above, will not be paid by the Foundation. In the rare occasion when an exception is needed, the requester must go through the prior approval process.
9. Flowers and gifts for any employee, and any relatives of an employee both current and past of the University or Foundation for occasions including, but not limited to, birthdays, retirement, new baby, weddings, bereavement, etc.

III. COMPLETION OF REQUESTS FOR DISBURSEMENTS

Meals & Receptions
Use of Foundation funds for meals and receptions is permitted when such expenditures are clearly related to advancing the interests of the University, e.g., entertaining potential donors, candidates for employment, or guests to the University; food or refreshments for meetings of University committees, boards, councils, or department meetings with a business purpose. In accordance with IRS regulations, a substantial business purpose must be demonstrated.
Expenses for meals and receptions are expected to stand up to a reasonableness test. Part of the test of reasonableness is to determine whether the expense is extravagant by current and local standards. In those instances where reasonableness of expense appears to be violated, only partial reimbursement will be made.

Reimbursement of personal meals is generally considered taxable income to the recipient when not away from home on business. However, under code section 274, the IRS allows an exception when an employee's expense is directly offset by the employer's reimbursement, and neither is reported on the employee's tax return. The IRS requires:

1) An employee must substantiate the expenses to the employer, returning amounts in excess of substantiated expenses;
2) There must be a business connection for the expenses;
3) The expense must be reasonable and appropriate; and
4) A primary business purpose must be evident, with personal consumption secondary.

The Foundation policy for meal reimbursement follows IRS guidelines. When away from home on business, reimbursement of breakfast and dinner expenses will be allowed up to the Federal per diem guidelines. Lunch expenses will only be allowed if a substantial business purpose is met. In the absence of documentation for actual expenses, the standard per diem allowances prescribed by the IRS will be acceptable.

When not away from home on business, reimbursement will be made only under the terms described above. For reimbursement to occur, actual receipts must be submitted.

Travel
Requests for reimbursement for travel expenses follow the same general guidelines applied to state or Research Foundation accounts. Specifically, the travel must be for an activity related to the employee's role at the University. The destination and purpose of the trip should be clearly identified.

Expense reimbursement should be aligned as closely as possible with the federal rate which both the State and Research Foundation adhere to. Again, the reasonableness test shall rule. If requesting mileage reimbursement, include the number of miles traveled, destination and purpose of the trip. Mileage will be reimbursed at IRS approved rates.

When an individual is being reimbursed for travel expenses in part by the State or Research Foundation funds, the difference between the maximum permitted from either funding source and the individual's actual expenses for all travel-related expenses except individual meals may be paid from a Foundation account. Since original receipts are required with the State or Research Foundation voucher, copies of the receipts, including a copy of the State or Research Foundation Travel Reimbursement voucher, (with the supervisor's signature) will be required as supporting documentation for the Foundation's portion of the reimbursement.

For all travel reimbursements made from Foundation funds, both the traveler and his/her supervisor must sign the Request for Disbursement form.

Miscellaneous Reimbursements
Receipts, cancelled checks or charge slips totaling the amount requested and the signature of the person seeking reimbursement, attesting to the fact that they have incurred the expenses, are required. Explain any differences between amount requested and total receipts, e.g., individual is to be reimbursed for 50% of expenses, etc. When seeking reimbursement for multiple receipts, please itemize by expense type. Reimbursement made from Foundation funds should include the signature of both the person being reimbursed and his/her supervisor on the Request for Disbursement form.
IV. REQUIRED DOCUMENTATION FOR DISBURSEMENTS

Approval Process
Every disbursement requires the signature of the Fund Manager and approval by the Fund Manager’s reporting supervisor as set forth:

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<tr>
<th>Approval of</th>
<th>Signature Required</th>
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<tr>
<td>Dean</td>
<td>Provost or designee of the Academic Affairs Office</td>
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<tr>
<td>Faculty</td>
<td>Reporting Dean or designee</td>
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<td>Staff</td>
<td>Reporting Supervisor or designee</td>
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<td>VP</td>
<td>President or designee</td>
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<td>President</td>
<td>Executive Director or CFO of the Foundation</td>
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Vendor Payments
To pay a vendor, please remember to attach the following documentation to the Request for Disbursements:

1) Original invoice
2) Quote from vendor, if applicable (see Commodities and Services, below)
3) Purpose or description of expense
4) If payment is for a departmental meeting, lecture, conference or reception, the following information is required:
   a. Flyer, announcement, invitation or registration form
   b. Purpose of event
   c. Agenda or program booklet
   d. List of attendees, if applicable
   e. Contract for services, if applicable
5) If payment is for travel, the following additional information is required:
   a. Destination or itinerary
   b. If foreign travel, the appropriate currency exchange rate must be used to convert to U.S. dollars.

Commodities and Services (see Vendor Quote Form)
The documentation required to purchase commodities and or services depends on the value of the purchase. Please keep these levels in mind when requesting disbursement for commodities or services:

- $0 - $2,499 Standard documentation
- $2,500 - $9,999 Justification as to the reasonableness of the vendor selected.
- $10,000 plus 3 Quotes and prior approval by Foundation and justification if selected vendor is not the lowest bid.

Reimbursements
Requests for reimbursements must include:

1) Original receipts. When applicable, include the original cancelled check.
2) Signature of Payee
3) Signature of Account Manager
4) Purpose of expense

Note: Reimbursement to an Account Manager requires an additional signature. This signature should be the Account Manager’s immediate superior or supervisor as outlined above.

Food
1. Purpose
2. Names and titles of attendees
3. Interview candidates: Provide itinerary
4. Meetings: Provide agenda
5. Lectures: Provide a flyer or announcement
Conferences
1. Copy of program booklet or agenda
2. Registration form
3. Original receipts for all expenses

Travel
1. Destination or itinerary
2. If foreign travel, the appropriate currency exchange rate must be used to convert to U.S. dollars.
3. Purpose

Scholarships & Awards
1. Name, social security number, and address of recipient
2. Copy of scholarship or award application, if applicable
3. Selection committee member names and titles, if applicable
4. Selection criteria (i.e. Junior who is pursuing a degree in Biology)
5. Explanation as to how and why person was selected

Honoraria & Stipends
1. Name, social security number, and address of recipient
2. Description of services provided
3. Explanation of how the payment was determined (i.e. contract, invoice, agreement, hourly rate, etc.)
4. Flyer or invitation of the event

Split Payments
1. Copy of state travel voucher
2. Copy of receipts for all expenses

Transfers
It may be possible in limited circumstances to transfer funds from one Foundation account to another Foundation account. The Foundation may be restricted from transferring some funds based on donor restrictions or legal requirements for the use and expenditure of certain funds. A fund manager may check with the Foundation before making a transfer request to find out if a request is viable.

To request a transfer, submit the following in writing to the Foundation:
1. Account numbers and amount to be transferred
2. Explanation for the purpose of the transfer

Payments to External Vendors
Payments to external parties that equal or exceed $10,000, whether by check, electronic funds transfer or wire transfer, require dual signature and/or approval of two authorized Foundation officials. Such officials are identified via Foundation Board resolutions that are passed from time to time. This policy does not apply to transfers of funds between bank and/or investment accounts of the Foundation.

V. OTHER FORMS AND WHEN TO USE THEM

Request for Advance Form
This form should be completed when requesting an advance for travel expenses in excess of $500, or an advance for other types of expenses in excess of $200. An outline of the proposed expenses to offset the advance should be attached. The recipient's Social Security number and permanent address is required, as it is Foundation policy (per IRS regulations) to record unresolved advances as income to the recipient.

An accounting of advances must be made within 30 days. This should include original receipts relating to the expense(s) incurred. If a portion of the advance was not used, a deposit transmittal should be completed and the unused funds returned to The Foundation. If expenses over the amount of the advance were incurred, a Request for Disbursement for the additional amount should be completed.

Advance Repayment
When repaying an advance to the Foundation, please submit the following documentation:

1) Copy of original advance form
2) Receipts for amounts expended and cash/check for unused funds, if applicable
3) Disbursement form for reimbursement of additional funds expended, if applicable.

Tax Treatment of Advances
Pursuant to Section 62(c) of the Internal Revenue Code, advances made to employees or related parties must be accounted for and any excess amounts returned to the employer. Any unaccounted advances are taxable income to the employee or related party and reported to the IRS.