

## **8.1 General Expenditure Guide**

The university budgeting system is complex and the SDC funding scenario is equally so. While the administrative manager is responsible for the handling and oversight of funding matters on a day-to-day basis, BPPM 70.03 states the department chair (director) is responsible for ensuring that all expenditures incurred by accounts under his or her authority are for appropriate and legitimate purchases. This document is intended, in part, to inform the director of best practices and to assist the program heads and others who may be granted budget authority as to how to spend. While such a document may be particularly helpful in a budget crunch, it is intended to be guideline to follow at all times.

WSU uses fund accounting, also known as “bucket accounting.” The source of funds determines the bucket it goes into. The SDC uses four buckets:

1. State appropriated funds; also known as “Permanent Budget Line” or “PBL.” The SDC can receive PBL for both salaries and operations. Each year, after the SDC working budget is completed, the director should work with the administrative manager to allocate a portion of the remaining PBL for general and administrative expenses (G&A), for faculty & professional development; for each program; for marketing/recruitment; for the gallery; for computers/IT; and for the shops. (Fund type 001, Program 06)

The G&A fund may be used for:

- Major instructional support
  - Adjunct faculty to teach a required class
  - Accreditation costs (including travel)
  - Membership fees necessary to maintain accredited status
  - Office expenses including supplies and copy machine contracts.
- SDC-wide instructional support
  - Ancillary activities related to SDC courses not currently in course fees
  - Multi-disciplinary activities related to SDC courses not in course fees
  - Travel and events related to SDC Central Board meeting

The program allocations may be used for:

- Ancillary instructional support, such as:
  - Teaching assistant-type support for courses not already in SDC budget forecast
  - Software/computer/printing needs for courses that extend beyond regular fees, including time-slip employees to help
  - Travel/lodging needs for courses or site visits that extend beyond course fees
  - Study tours beyond fees (such as extra rooms in the hotel);
  - Faculty workshops
  - Student conference or workshop travel
  - Faculty travel extending beyond the \$1,500 or beyond the start-up fund related to travel (if negotiated)

\*For additional information, see the Allowable Purchases (By Program) table on page 3 of this guide for Program 06.

2. Self-sustaining funds (such as course fees). The SDC generates revenue in the form of course, shop, and computer fees. These dollars are only to be used for the courses that have them. (Fund type 148, Program 06)

\*For additional information, see the Allowable Purchases (By Program) table on page 3 of this guide for Program 06.

3. Grant funds (restricted). Grant money is awarded for a specific purpose and must be expended for that purpose within the established time frame. (Fund type 145, Programs 11-14)

\*For additional information, see the Allowable Purchases (By Program) table on page 3 of this guide for Programs 11-14.

4. Discretionary funds, known as 17A funds. Such funds must be spent according to the Gift Use Agreement (GUA), and must be accounted for in reports to alumni (e.g. thank you letters) and any audits that may be requested by university officials or donors. All purchases must be legal and meet the test of public scrutiny for appropriateness. (Fund type 846, Program 17)

- The 17A funds may be used for:
  - Big program-related development (such as program-specific facilities or equipment)
  - Fees for non-required courses (e.g., electives, summer courses). This could include paying faculty or instructor's additional salary or time slip.
  - Food for events
- 17A funds must not be used for:
  - Purchases, which conflict with donor's stated desires.

\*For additional information, see the Allowable Purchases (By Program) table on page 3 of this guide for Program 17A.

\*For a breakdown of whether or not a purchase is allowable with a 17A account, see the Using Discretionary 17A Accounts table on page 4-8 of this guide.

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**BUSINESS POLICIES AND PROCEDURES MANUAL**

**Allowable Purchases (By Program)**

PROG NUMBER	PROGRAM DESCRIPTION	ALLOWABLE PURCHASES		NONALLOWABLE PURCHASES	
		DEFINITION	EXAMPLES	DEFINITION	EXAMPLES* **
01 03 04 05 06 07 08 09 10	Administration and General Expense Student Services Plant Operation and Maintenance Libraries Instruction and Departmental Research Ancillary Support Services Academic Administration Extension and Public Service Separately Budgeted Research (state-appropriated funds)	Goods and services which are necessary for completion of official University duties.  Special licenses, documents, etc. which are required to complete WSU job assignments. IF the employee did not receive notification of the need for such documents prior to hiring	Job-related supplies, services and equipment. Special protective clothing, uniforms, travel and relocation costs.  Special driver's licenses, passports, ID cards.	Any purchase items which are not used for official WSU business.  Transactions which result in economic benefit to a state employee. (10.21, 70.15) Purchase of items for an employee's personal use.	Grocery items, flowers, coffee makers, alcoholic beverages, medication (unless approved for first aid kits in accordance with SPPM 2.42), clothing, office decorations, holiday decorations.
11 12 13 14	Federally Sponsored (research) Federally Sponsored (other sponsored activities) Nonfederally Sponsored (research) Nonfederally Sponsored (other sponsored activities)	Same as programs 01-10 unless a sponsor's agreement or regulations indicate special allowances.	Direct specific questions to Sponsored Programs Services, telephone 335-2058.	Same as programs 01-10 unless a sponsor's regulations or agreement indicates special restrictions.	General purpose equipment (e.g., office equipment, motor vehicles) or direct charges for administrative or clerical support unless provided for by prior agreement with the sponsor. (OMB Circular A-21).
15	Other Enterprises	Same as programs 01 through 10			
16	Associated Students	Must be in conformance with the organization's expenditure plan as approved by the Services and Activities Fee Committee.		Purchases which do not conform to the organization's expenditure plan as approved by the S&A Fee Committee.	
17A	Scholarships/Fellowships, Development Funds	Must be in conformance with stated desires of donor and the Establishment of Fund form.		Purchases which conflict with donor's stated desires.	
17C	Agency Accounts (non-WSU)	Must be in conformance with the organization's objectives and/or mission.		Purchases which conflict with the organization's objectives and/or mission.	
19	Service Funds	Same as programs 01 through 10			
19B	Computing Services	Same as programs 01 through 10			
Various	Capital Funds	Same as programs 01 through 10			
* This listing is not meant to be exhaustive.					
** Specific listed items could be legitimate purchases in certain unusual situations. Contact Purchasing Services for clarification in such cases.					

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**BUSINESS POLICIES AND PROCEDURES MANUAL**

**Using Discretionary 17A Accounts**

<b>ALLOWABLE AND NONALLOWABLE EXPENSES</b>	
<i>NOTE: Allowable expenses must have appropriate supporting receipts in order to be paid.</i>	
<b>Types of Expenses</b>	<b>Allowable on Discretionary Funds (17A)?</b>
<b>Events &amp; Business Entertainment:</b>	
Food and nonalcoholic beverages for retirement/departure events for employees retiring or departing from WSU. Only one retirement/departure event per employee may be supported by discretionary funds. Cost per event cannot exceed the allowable per diem for the location and time of the event (i.e., breakfast, lunch, or dinner) per person. (See 95.19 regarding per diem rates.) Include the expected/estimated number of attendees with the request for payment/reimbursement. NOTE: Retirement/departure means that the employee is terminating employment with the department or with WSU. A position or role change within a department does not qualify as a retirement/departure for which event expenses are allowed.	<b>Yes</b>
Food and nonalcoholic beverages for events held by one WSU department to show appreciation to a different department for providing exceptional service. Event must be nonrecurring and the celebration must be in recognition of a specific incident of outstanding performance. No alcohol may be served. Expenditure is limited to the allowable per diem for the location and time of the event (i.e., breakfast, lunch, or dinner) per attendee. (See 95.19 regarding per diem rates.)	<b>Yes</b>
Food and nonalcoholic beverages for faculty/staff retreats. Only employees and guest presenters may attend. Event must be held on campus unless a cost savings justification is supplied for an off-campus location. The department must retain documentation of a cost savings. No alcohol may be served. Expenditure is limited to the allowable per diem for the location and time of the event (i.e., breakfast, lunch, or dinner) per attendee. (See 95.19 regarding per diem rates.)	<b>Yes</b>
Food and nonalcoholic beverages for nonroutine business meetings. Include the expected or estimated number of attendees with the request for payment or reimbursement.	<b>Yes</b>
Food and nonalcoholic beverages for routine faculty and staff meetings.	<b>No</b>
Hosting official University-sponsored events.	<b>Yes</b>
Food and beverages for University employees and guests at official University-sponsored events.	<b>Yes</b>
Food and beverages for welcome events for individual faculty/staff.	<b>No</b>
Celebrations of anniversaries of business units, except for University-sponsored celebrations of significant milestones (e.g., 25th, 50th).	<b>No</b>
Admission fees/charges for employees to attend social or business events when the University requires attendance.	<b>Yes</b>
Meals provided for nonmandatory social meetings without specific business agendas.	<b>No</b>
Meals provided for business meetings on or off-campus with an official visitor in attendance. The visitor's meal expense and the expense for a reasonable number of WSU attendees may be paid.	<b>Yes</b>
Meals for employee/student spouses without a specific business justification.	<b>No</b>

Types of Expenses	Allowable on Discretionary Funds (17A)?
<b>Events &amp; Business Entertainment (cont.):</b>	
Food and nonalcoholic beverages for division or departmental holiday receptions. Only one event per division or department per year may be supported by discretionary funds. Cost per event cannot exceed the allowable per diem for the location and time of the event (i.e., breakfast, lunch, or dinner) per person. (See 95.19 regarding per diem rates.) Include the expected/estimated number of attendees with the request for payment or reimbursement.	<b>Yes</b>
Food and nonalcoholic beverages for division or departmental employee appreciation events. Only one event per division or department per year may be supported by discretionary funds. Cost per event cannot exceed the allowable per diem for the location and time of the event (i.e., breakfast, lunch, or dinner) per person. (See 95.19 regarding per diem rates.) Include the expected/estimated number of attendees with the request for payment or reimbursement.	<b>Yes</b>
Food and beverages for official division or departmental graduation events. Cost per event cannot exceed the allowable per diem for the location and time of the event (i.e., breakfast, lunch, or dinner) per person. (See 95.19 regarding per diem rates.) Include the expected/estimated number of attendees with the request for payment or reimbursement.	<b>Yes</b>
Food or beverage to celebrate an individual's graduation or completion of a degree.	<b>No</b>
Food and nonalcoholic beverages for student events. Faculty and staff attendance must be less than 10% of total attendance. No alcohol may be served. Expenditures are limited to the allowable per diem for the location and time of the event (i.e., breakfast, lunch, or dinner) per attendee. (See 95.19 regarding per diem rates.)	<b>Yes</b>
Banquet liquor permits and special occasion licenses for official University-sponsored events (see 70.29).	<b>Yes</b>
Food and beverages for employee showers, weddings, birthdays, and similar personal life events.	<b>No</b>
Purchase of beverages to be stored for future use except as required by the President or chancellors in their official hosting capacity. Note, however, that unopened beverages from other hosted events can be returned or stored in accordance with 70.29.	<b>No</b>
<b>Travel:</b>	
Travel expenses that exceed the amount payable from state funds and are related to an employee's official duties. The responsible vice president, chancellor, or dean must approve such expenses.	<b>Yes</b>
Travel expenses for a prospective employee's partner's travel when approved in advance by the responsible appointing authority.	<b>Yes</b>
Travel and related expenses to meet with donors, prospective employees, and prospective students. An official should use discretion when approving such travel and other expenses. He or she should send only the minimum number of employees required to accomplish objectives.	<b>Yes</b>
Business Class (premium class other than first class) airfare when a flight to or from a point outside the continental U.S. is over 14 hours long (not including domestic layover time). Note that such airfare is also allowed on state funds in accordance with 95.07.	<b>Yes</b>
First Class/Business Class airfare. Exception allowed if individual has a medical exemption from a doctor. For airline club memberships, see the "Memberships" subsection below.	<b>No</b>
Airline change fees incurred for health-related reasons.	<b>Yes</b>

Types of Expenses	Allowable on Discretionary Funds (17A)?
<b>Travel (cont.):</b>	
Payment of travel meals, lodging, and transportation expenses for an employee's partner, unless the responsible vice president, chancellor, or dean has determined that a partner's attendance is necessary for the conduct of official University business. If the travel is for the partner of a vice president, chancellor, or dean, approval by the supervisor is required. The responsible official must approve such expenses in advance of the travel.	<b>No</b>
Commuting mileage.	<b>No</b>
<b>Moving Expenses:</b>	
Moving expenses including those expenses that exceed the amount payable from state funds when approved in advance by the responsible vice president, chancellor, dean, or designee.	<b>Yes</b>
<b>Memberships:</b>	
Membership dues, a license, or a certification that enhances an employee's ability to perform position duties. The responsible vice president, chancellor, dean, or designee must approve the expense. Lifetime memberships may be purchased only when the membership is in the name of WSU.	<b>Yes</b>
Airline club membership fees where membership is needed for business purposes and is approved by the responsible vice president, chancellor, or dean. If membership is for a vice president, chancellor, or dean, approval by the supervisor is required.	<b>Yes</b>
Employee memberships to civic clubs, unless the memberships are shown to be of specific benefit to WSU. Community involvement is not, in itself, a sufficient benefit. If an exception is granted, the value of the membership is reported to Payroll Services and appropriately taxed as income.	<b>No</b>
Membership dues, a license, or a certification, which does not enhance an employee's ability to perform the duties of her or his position.	<b>No</b>
<b>Awards, Loans, Gifts, and Similar Items:</b>	
Scholarships and fellowships expenses are processed through Student Financial Services and are not subject to procedures in this section. See 30.90 to authorize and process a departmental scholarship.	<b>Yes</b>
Employee and student excellence awards provided through approved University programs.	<b>Yes</b>
Gifts of tangible property to employees, interns, and/or graduate students in recognition of outstanding performance. Gifts may not exceed \$200 in value. The reason for the award must be performance based. The value of the gift is reported to Payroll Services to be included in income and appropriately taxed.	<b>Yes</b>
Welcome gifts for new employees, interns, and/or graduate students.	<b>No</b>
Retirement gifts with a cumulative value that do not exceed \$200.	<b>Yes</b>
Flowers and other tangible gift items for nonemployees such as donors, special guests or dignitaries, as part of a cultivation process or an expression of appreciation that do not exceed \$200.	<b>Yes</b>

Types of Expenses	Allowable on Discretionary Funds (17A)?
<b>Awards, Loans, Gifts, and Similar Items (cont.):</b>	
Expressions of sympathy associated with the death or serious illness of an employee, an employee's immediate family member, or a non-University employee with a business connection to the University (e.g. donors, alumni, etc.). Expressions of sympathy include floral arrangements, sympathy cards, and similar items.	Yes
Loans to individuals other than WSU students. Student loans must be processed through Student Financial Services.	No
Gift certificates, flowers, and other tangible gift items for employees or their family members in recognition of holiday events, birthdays, boss's day, administrative assistant day, etc., or as an expression of thanks.	No
<b>Contributions:</b>	
Contributions (cash or non-cash) to a WSU-related organization in support of an official University mission. Such an expense may take the form of a direct purchase on behalf of the organization or a contribution to the organization's account.	Yes
Sponsorships for WSU-related organizations or for civic organizations when the event is specifically related to the departmental mission. The purpose for each attendee's presence at a sponsored table must support the departmental mission. A list of attendees, purpose for attendance, and a description of the benefit to WSU must be included as part of the request for payment.	Yes
Gifts in support of local community fundraisers or events.	No
Contributions (cash or non-cash) to any individual, organization, or institution that is unrelated to WSU.	No
<b>Supply/Office/Promotional Items:</b>	
Note cards, holiday cards, stationery, and postage for sending welcome, congratulatory, or other communications to faculty, staff, students, donors, alumni, etc. (Note: Electronic communication is strongly encouraged unless circumstances dictate otherwise.)	Yes
Bottled water or water service primarily for the use of employees.	No
Promotional items with University or college logos such as coffee mugs, lapel pins, writing instruments, key chains, t-shirts, etc. that are given to donors. The provision of such items to University employees is prohibited unless the event is a University-sponsored event and the value is of nominal value (less than \$10 per person per year).	Yes
Promotional items, meal tickets/coupons, and other giveaways as an incentive for students to get involved in organizations, clubs, surveys, etc.	Yes
Birthday cards, wedding cards, engagement, cards etc. for employees or their family members.	No
Office decorations for a personal office space.	No
Shirts and other clothing items with WSU logo that staff are required to wear on the job in a public setting while representing WSU.	Yes
Postage for personal correspondence.	No

Types of Expenses	Allowable on Discretionary Funds (17A)?
<b>Miscellaneous Items:</b>	
All purposes for which state of Washington public monies or federal monies are spent.	Yes
Cash, gift certificates, or other tangible items that are given to participants in research projects.	Yes
Cash advances to support research on an internal grant. First follow the procedure outlined in 40.07 to establish a research or conference account under program 14. Then follow the procedure outlined in 40.21 to request the advance.	Yes
Coffee makers, microwaves, other appliances primarily for employee use. EXCEPTION: Break room refrigerators are allowed.	No
Expenses of a personal nature unless the personal benefit is clearly de minimis to the primary purpose of benefiting the University.	No
Fines for illegal actions, e.g., parking or traffic infractions.	No
Purchase of commencement regalia for faculty members, unless the items become the property of WSU.	No
Gratuities not associated with meals, unless specifically permitted by other University regulations.	No