



DISBURSEMENT PROCESS AND GUIDELINES

There are two different fund categories within the Foundation: earned funds and donor-contributed funds.

The majority of earned fund revenue is generated via endowment management fees, athletic marketing contracts, events and interest from non-endowed accounts. These discretionary funds are utilized for expenses associated with accounting, legal, bank fees, audit, marketing, donor cultivation, stewardship, meetings and other program support. Foundation management controls the vast majority of these funds.

Donor fund revenue provides student scholarships, program support and discretionary support for colleges, departments and programs. The majority of accounts within the Foundation are of this type, more directed, and must conform to donor intent. Management of the vast majority of these funds rests within the college, departments or financial aid office. The process and lists that follow pertain directly to these donor-funded accounts.

PROCESS

All disbursements made must have written justification that will meet auditing purposes.

1. The department/administrative office requesting payment must submit a requisition/invoice voucher with the following:
 - Signatures of the authorized administrator of the account and the reviewer/supervisor
 - Description of the expenditure
 - Vendor invoices and/or expense receipts
 - Supporting documentation that demonstrates that the expenditure meets Foundation guidelines and/or donor intent.
 - Reimbursement requests must be received within six months from time of payment.

2. All payments must comply with Foundation guidelines. When there is uncertainty, it is recommended that the expenditure be discussed with the Foundation Office before committing to the expenditure, thus avoiding the possibility of having a reimbursement disallowed.

3. Foundation checks will be distributed, at a minimum, twice a month, on the 1st and 15th.

GUIDELINES

The principle guiding expenditure approval from Foundation accounts is that expenditures must benefit university-related activities and/or students.

The EWU Foundation must ensure that disbursements meet four requirements:

- Adhere to the legal requirements for the EWU Foundation as a 501(c)(3) corporation;
- Maintain the highest ethical standards;
- Conform to the stipulation, or restrictions, made by the donor(s);
- Meet the tests of public examination as to appropriateness.

ALLOWABLE EXPENDITURES

Sample allowable expenditures include:

1. Purposes consistent with the guidelines contained in the gift document.
2. Purposes consistent with the guidelines for which the state of Washington public money or federal money may be spent.
3. Student financial aid, including scholarships and fellowships; assistance to students engaged in special projects and programs where university funds are not available; and payment for work as part of an academic project.
4. General university programs, projects and supplements such as:
 - a. Seminars, workshops, symposia, planning retreats and other programs involving student/faculty/staff;
 - b. Educational materials;
 - c. Equipment and publications;
 - d. Supplies and materials;
 - e. Faculty development through endowed chairs, named professorships or restricted support;
 - f. Capital construction projects;
 - g. Research and special projects;
 - h. Subscriptions, if they are directly related to departmental teaching, research and/or public service activities.
5. Expenses of admissions for employees to attend a business function when such attendance is deemed appropriate by the university or the Foundation.
6. EWU Foundation may pay for travel expenses directly when:

- a. The traveler is an EWU employee and is representing the external third party entity only. Under this scenario, the traveler is not acting in an official capacity or representing the university. Employees should review EWU Policy 901-01 regarding conflicts of interest and prohibited uses of university resources. A EWU HR consultant can provide further information if needed.
 - b. When the individual traveling is not an employee of EWU.
7. When the employee traveling is representing the university, travel arrangements must be handled through the originating department or program. The respective dean/vice president must approve travel expenses for faculty/staff. Foundation funds should be utilized for travel only if state funds are not available. All travel expenditures are subject to review by the Finance and Audit Committee of the Foundation. The following outlines the process when the Foundation has authorized or awarded funding for travel:
 - a. All travel should be documented using the EWU travel authorization form and approved by relevant authorities, including EWU Foundation (HAR 102), prior to the planned trip. Intent to use third party funding must be included/noted in the documents as part of the approval process. Attach documentation, if available, showing how much the third party has agreed to pay. The completed form would then be routed to Travel Accounting (SHW 319).
 - b. Airfare, auto rental, conference registrations or other travel items should be procured as if funding were within the traveler's own department.
 - c. Once the trip has been completed a traveler should retain a copy of all receipts, and route all original documents and the finalized travel authorization to Travel Accounting.
 - d. After expenses are posted – a traveler should submit an invoice to the Foundation with copies of the travel documents and receipts. The invoice should provide the Banner index and account code/s to be credited.
 - e. The Foundation will send a check to Student Financial Services to credit the traveler's account/s. Upon payment, the traveler should send a copy of the invoice and receipt to EWU Travel Accounting for inclusion with the travel file.
 - f. If not allowed by the state, or if over the maximum, you will need to include an email or receipt from travel stating this.
 - g. A traveler may not receive and keep payments or reimbursement from both the university and a third party for the same travel expense. Likewise, a traveler may not receive and keep reimbursement payment for a travel expense previously paid by the university.
 - h. The "Three Hour Rule" applies to travelers in order to receive the meal allowance. To meet this rule, the traveler must be in travel status for 3 or more hours beyond the assigned 8am to 5pm work schedule AND in travel status for the full work schedule. This means the traveler must be in travel status at or before 8am and after 5pm.
8. Awards made in recognition of superior performance by employees, or students, through university programs when restricted funds have been designated for that specific

purpose. Such awards must be made by a clearly defined selection process and must be approved in advance by the executive director of the Foundation.

9. Lodging, meals, transportation and entertainment for non-university people included in official university-sponsored events; this includes major gift prospects, donors, individuals, and organizations being cultivated for fundraising as well as guest speakers and participants in special programs.
10. General expenses (meals, lodging or other hosting costs) related to the interview process with prospective employees.
11. Hospitality and hosting expenses incurred in the process of cultivating donors and/or prospects. This includes expenses in programs for the recognition of donors/prospects, hosting meals, special events and travel.
12. Moving expenses that exceed the amount payable from state funds; this must be recommended by the appropriate vice president and dean, and approved by the executive director of the Foundation.
13. Catering and beverages expenses for official university-sponsored events or activities that involve students.
14. Individual membership dues, licenses and certifications related to university activities.
15. Departmental and/or institutional dues, memberships and publication costs.
16. Financial support to an EWU-related organization or institute.
17. Honoraria, speaker and consulting fees.

NON-ALLOWABLE EXPENDITURES

Sample non-allowable expenditures include:

1. Expenses that do not meet the test of legal, ethical or public perception of appropriateness.
2. Expenses without appropriate documentation or available account monies.
3. Expenses of a purely personal nature.
4. Operational support such as marketing, recruitment or expenses no longer covered by University funds due to financial shortfall.
5. Personal gifts to non-employees of EWU, except in those instances where the gift is a part of the donor prospect cultivation process, or where a gift is a cultural expectation.
6. Food, beverages or decorations for an unofficial event, e.g., an office-based party for birthdays, retirement, holidays or anniversaries. This includes holiday decorations for general office space as well as for personal office spaces.
7. Supplies purchased not related to your job duty. This would include items stored in the kitchen for non-business related usage, e.g. paper plates, silverware, beverages, etc.
8. Gifts to faculty, staff and or students (this includes birthdays, anniversaries, weddings, retirement and other special occasions of a personal nature).

9. Charitable contributions to any individual, organization or institution unrelated to Eastern Washington University.
10. Membership dues, licenses or certifications that are not directly related to the improvement of employees' ability to perform the responsibilities of their position.
11. Purchases of alcoholic beverages to be stored for future use.
12. Fines for parking or traffic infractions, or for any other illegal actions.
13. Loans or advances, unless specifically allowed under the provisions of a Memorandum of Understanding and/or explicitly allowed by a donor for such purposes.
14. Food for university employees, except in those occasional cases of planning retreats that are two (2) or more hours in length with agenda submitted or welcome back/new faculty orientation activities.
15. Direct payment of salaries or wages to faculty, staff, students and/or other full- or part-time employees of EWU are not allowable unless it relates to a specific authorized agreement between the Foundation and recipients for services outside normal work requirements. Such payment to employees normally will be processed through the university payroll office unless there is sufficient justification that the employee is operating as an independent contractor.
16. Payments for student loans.
17. All federal and state government research contracts and supplemental grant applications must be processed through the Office of Sponsored Programs and Grants Management.
18. Expenditures of a personal or spousal nature. The IRS guidelines of "reasonable and necessary business expenses" are utilized in all cases for determination of appropriate disbursements.
19. Expenditures or purchases from fees and income from conferences conducted by university departments, programs or centers. Transactions must be made, and/or procured, through the university's purchasing system.
20. Any reimbursements that have a date of purchase that is older than six months.

EXCEPTION ACCOMMODATION

Exceptions, though rare, may be approved and documented on a case-by-case basis by the Executive Director of the EWU Foundation.

In addition, each of the five colleges, the Library and each vice president will be provided \$500 annually from Earned Fund Revenue, not Donor Fund Revenue. These funds do not carry forward annually and can be utilized for the following exceptions:

1. Bereavement and illness acknowledgment;
2. Retirement gatherings;
3. Meals for staff due to meeting, planning or morale.

CONTROL OF EQUIPMENT

All equipment purchased with Foundation funds will be transferred to the university to be inventoried and tagged as part of the university's inventory system. Originating documents (requisition/invoice vouchers or gift-in-kinds agreements) will be forwarded to university inventory control to affect this transfer.