



FLORIDA INTERNATIONAL UNIVERSITY

University Community

SUBJECT: FIU Foundation, Inc. Disbursement Policy	INITIAL EFFECTIVE DATE: July 1, 2015	RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT AND UNIVERSITY OFFICER: Assistant Vice President - FIU Foundation, Inc. FIU Foundation, Inc. 11200 SW 8 th Street, MARC 5 th Floor Miami, FL 33199
	LAST REVISION DATE: June 4, 2021	

POLICY STATEMENT

The FIU Foundation, Inc. (Foundation) receives, manages, and disburses funds provided by our generous donors in order to further the mission of the University. The Foundation and authorized users of these funds must be good stewards of these assets and ensure that they are used in a reasonable, prudent manner in furtherance of the University’s mission and in comportment with donor restrictions. All expenditures must have a valid business purpose and must be reasonable. While reasonableness is always a question of judgment, several guidelines are applicable: what other reasonable persons would do in the same situation, what would the donor consider reasonable, and what would the mass media press consider reasonable.

Expenses incurred on behalf of the University or Foundation’s tax-exempt purposes may be paid or reimbursed from Foundation accounts (projects) if the appropriate conditions are met.

This policy and associated procedures will cover the necessary topics related to disbursements made

by the Foundation. This policy does not address:

- Salary expenses reimbursed to the University
- Student scholarship expenses reimbursed to the University
- Research expenses reimbursed to the University
- Building construction and renovation expenses reimbursed to the University

Three overarching tests must be passed before an expense is considered for disbursement:

1. Is the expense allowed by Foundation policy?
2. Does the source of the funding (project) have donor, Board or management-imposed restrictions that are fulfilled by the nature of the expense?
3. Is there available cash balance in the project?

BUSINESS PURPOSE

A detailed business purpose must be included for all disbursement requests (i.e., payments to vendors, reimbursements to the University, reimbursements to employees for travel or entertainment expenses, such as meals, etc.). A business purpose must be detailed and should contain information to answer the following questions:

Question to Answer	Description of Information Needed
Who	Who was present during the meal or entertainment event? Provide the detailed affiliation of each individual present (i.e., donor, prospective donor, prospective employee (candidate), guests of University and/or Foundation, current University employees or agents, etc.).
What	What is the purpose of the expense?
Where	Where did the expense take place?
When	When was the expense incurred?
How	How does the expense benefit the University? How does the expense fall in line with the project's purpose?

PROHIBITED DISBURSEMENTS

The Foundation has a fiduciary responsibility to our donors to assure that donations received are used according to the donor's intent and for appropriate business-related expense. Accordingly, the following is a list of expenses that will not be paid or reimbursed through the Foundation. This list is not intended to be all-inclusive and may be updated as circumstances dictate:

- Foundation funds may not be used to further the political or religious aspirations of an individual or group. The Internal Revenue Service specifically prohibits the Foundation from participating in, or intervening in, any political campaign on behalf of any candidate for public office.
- Cash donations to other charitable organizations are prohibited. Payment for tickets to charitable events where a meal or other entertainment is provided will be allowed if attendance to the event serves a benefit to the University or Foundation, such as for cultivating or soliciting donations.
- Foundation funds may not be used to pay penalties, fines, citations, or tickets.
- Parking decals may not be purchased with Foundation funds. Exceptions may be made for major donors (over \$10M), Foundation Board of Directors, Alumni Association Board of Directors, in each case as deemed necessary by the Foundation administration.
- Foundation funds may not be used to purchase a membership to the University Faculty Club. Business meals at the Faculty Club may be reimbursed.
- Salary payments or bonuses to University employees will not be paid directly to the employee by the Foundation. Funds may be transferred from a Foundation account to the University to fund salaries or bonuses. This is to ensure that the income is reported on the employee's W-2 issued through the University.



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- Any travel or business expense that the University or any other party/entity has or will reimburse shall not be reimbursed by the Foundation (i.e., no double dipping).
- Scholarships to University students will not be paid directly by the Foundation. Funds may be transferred to the University to support student scholarships.
- Furniture or other office supplies intended for a home office will not be paid through the Foundation. Foundation funds may not be used to purchase furniture and/or equipment for a University office that is deemed not to be business-related, customary, or reasonable.
- Personal dry-cleaning bills will not be paid or reimbursed through the Foundation except as part of official travel lasting longer than seven days or on international trips.
- Advances, whether for travel purposes or to make purchases, will not be provided by Foundation's funds. All business-related expenses incurred must be paid or reimbursed after the fact.
- Visa application fees for University personnel traveling to foreign countries on official business may be reimbursed.
- Visa applications fees for foreign travelers coming to the United States will not be reimbursed.
- Passport application fees and photos will not be paid or reimbursed through the Foundation.
- Expenses that may appear to be personal perquisites ("perks") with no benefit to the University or the Foundation will not be paid for from Foundation funds.
- Foundation funds may not be used to pay for professional license fees that are not directly related to the employee's job function or that are not required as a condition of employment.
- Cell phones and monthly service bills will not be paid through the Foundation.
- Costs related to obtaining or maintaining home internet connections will not be paid from Foundation funds.
- Any other disbursements deemed to be prohibited from time to time by University and/or Foundation rules, regulations, policies and/or procedures.

DONOR RESTRICTIONS

Projects identified as the funding sources for expenses may have restrictions imposed by the donor(s), Board of Directors, or management. In cases where there is no explicit gift agreement or Board action, the restriction on the project will be based on the content of any solicitations or communications made to potential donors at the time of the donation. These include invitations to events, direct mail materials, emails to donors, event publications, and other materials from the timeframe of the gift solicitations.

Proposed disbursements must adhere to the project's restrictions. Any expenses that are not consistent with restrictions will be rejected unless there is written communication from the donor lifting or modifying the restriction preventing the disbursement.

AVAILABLE CASH

No funds will be advanced for any purpose prior to receipt of the donation intended to fund the expense. If a project does not have enough cash to fund the requested disbursement, the expense will not be paid from Foundation funds.

SPECIFIC EXPENSES

After the proposed expense passes the requirements noted above, the nature of the expense will determine the necessary disbursement limitations, procedures, approvals, and documentation needed.

Expenses will be considered in the following categories:

1. Travel Expenses or Reimbursements
2. Non-travel Related Meal Expenses or Reimbursements
3. Gifts and Awards
4. Events
5. Honoraria
6. Athletic Tickets
7. All other expenses

In addition to any requirements detailed below, the following minimum standards are applicable to all types of expenses (both employee reimbursement and payment to vendor):

- At a minimum, an organizational approver will have to approve the expenditure.
- Sufficient documentation will have to be provided to the Foundation to support the business purpose of the expenditure and to verify compliance with project restrictions and all other applicable University policies.
- Non-employee payees shall be set up as vendors in the University's payables system.
- Disbursements will be made by check (mailed to vendor) or EFT – checks will not be held for pick up unless approved by the Foundation Controller in rare instances with a demonstrated business need.

Reimbursements will not be processed if the employee fails to produce receipts. If a receipt is lost, the Foundation's Lost Receipt Form (https://give.fiu.edu/_assets/docs/download/9539/lost-receipt-form-new.pdf) must be completed and approved by the employee and their supervisor. Loss of more than two receipts in any 12-month period constitutes a failure in the dimension of accountability as defined in administrative staff annual performance review, and further reimbursements will not be processed for the individual until a corrective action plan has been submitted via the individual's supervisor.

Travel

Foundation funds may be used to reimburse travel-related expenses incurred while conducting business for the benefit of the University and/or Foundation. A Travel Authorization (TA) is a traveler's permission to incur expenses and travel on behalf of the University and is required for FIU employees, FIU students and others who undertake travel on behalf of the University. All travel must have an approved TA, listing traveler's affiliation, and must be approved PRIOR to the travel occurring. A TA is required for all guest and spouse travel. Guest and spouse affiliation and detailed business purpose for their attendance is REQUIRED to be noted on all TA's.

The following reimbursable travel expenses and requirements are supplemental to the University Travel Expense Policy and the Office of the Controller Travel & Other Expenses Manual, which are the basis for this policy.

The Foundation does not advance funds for any type of travel expense. Travel expenses will either be reimbursed after the expense has been paid, or direct payment will be made to the vendor.

The University and Foundation encourage the use of University preferred travel vendors for all travel needs and use of state contracts for car rentals.

(http://finance.fiu.edu/controller/Docs/Travel_Manual.pdf)

Expenses paid which could be deemed as a personal expense by the Internal Revenue Service will generate the issuance of IRS form 1099 which the traveler will have to report as income.

Air Fare

Air travel will be reimbursed at reasonable coach air fare rates.

University President, Foundation Chief Executive Officer (CEO), Foundation Chief Development Officer (CDO), Vice Presidents, and Deans

One upgrade in economy class or business class travel may be reimbursed for the University President, Foundation CEO, Foundation CDO, Vice Presidents, and Deans.

Any other traveler (not University President, Foundation CEO, Foundation CDO, Vice Presidents, and Deans)

For any other traveler, one upgrade in economy class or business class travel may be reimbursed only if the travel time exceeds four hours and approval is granted from the department's corresponding Vice President or Dean prior to the travel occurring (http://finance.fiu.edu/controller/Docs/Travel_Manual.pdf).

If a traveler opts for selecting a seat prior to check-in, this will not be considered an upgrade, as long as the selection does not provide the traveler with any special perks or privileges (i.e., extra leg room, priority boarding, complimentary alcoholic beverages, etc.).



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First Class

For any traveler, first-class travel, only if exceeding four hours, must have approval granted from the Foundation CEO and department's corresponding Vice President, prior to the travel occurring. The Foundation Assistant Treasurer will serve as the Foundation CEO's designee in his/her absence.

The Foundation will not reimburse trip insurance, which would provide reimbursement in cases of travel cancellation or interruption. Exceptions may be made in cases of where a clear benefit to the Foundation is demonstrated due to the large number of travelers and uncertainty in plans.

Lodging

Lodging expenses for the cost of the room, applicable taxes, and hotel parking for business related travel and within the dates for the business travel matter will be reimbursed.

Every effort should be made to obtain the most economical lodging rate. The reasonableness of an expense depends upon many relevant factors, including the business purpose and the location.

Vicinity Travel

Vicinity travel is defined as travel within 50 miles of the traveler's official headquarters or home. A traveler may not claim per diem or reimbursement for lodging for vicinity travel unless extraordinary circumstances that necessitate the overnight travel are fully explained by the traveler and approved by Foundation CEO in writing prior to the expense being incurred. Criteria for approval may include late night or early morning job responsibilities, a valid health reason after or during a meeting, or an extenuating circumstance after or during a meeting. The Foundation Assistant Treasurer will serve as the Foundation CEO's designee in his/her absence.

Other expenses typically on lodging bills

Charges for items deemed personal, i.e., movies, mini-bar, or other hotel amenities, will not be reimbursed by the Foundation. Any additional charges on the itemized bill for which reimbursement is being requested must be separately justified.

Laundry or dry-cleaning expenses for travel longer than 7 days or on international trips may be reimbursed.

Longer term housing payments or subsidies are not travel-related expenses and are outside the scope of the travel expense policy. Generally speaking, any housing payments or subsidies are fully taxable to the person receiving the benefit of the payment/subsidy, even if payment was to a vendor.

Meals/Per Diem

While in domestic travel status, for traveler’s meals when not conducting business with other people, the University’s travel meal allowance rate applies.

Breakfast	\$6
Lunch	\$11
Dinner	\$19

Business meals during travel shall be reimbursed within the parameters set forth in the FIU Foundation, Inc. Disbursement Procedure.

If no itemized bills are submitted for lodging and business meals during domestic travel, travelers will be reimbursed at the state’s per diem of \$80 per day or \$20 per quarter day if travel status is not an entire day (24 hours). This is inclusive of the meal rate. If no itemized bills are submitted for lodging and business meals during foreign travel, travelers will be reimbursed at the flat per diem rate as provided for the U.S. Department of State.

Incidentals & Other Transportation

Other travel expenses necessary to complete official business, such as, tolls, parking fees, taxis, Uber/Lyft or similar fees, bus, shuttle and/or train will be reimbursed by the Foundation.

Tips associated with taxis, Uber/Lyft or similar fees, vans, valet parking, and portage charge may be reimbursed provided the amounts are itemized on the expense report and there is a *bona fide* business need for the service provided.

Private automobile service expenses will not be reimbursed unless pre-approved by a department’s corresponding Vice President and a relevant business purpose for the service is documented in writing. Convenience is not a sufficient business purpose.

Car Rental

The Foundation will reimburse car rental expenses under the same process as the University Travel Expense Policy. It is important to follow the University policy on car rental insurance for state contract rentals within the state of Florida. The Foundation will not reimburse insurance coverage for in-state rentals beyond the University travel/state contract limits. When renting cars in the state of Florida, travelers must use the state contracted vendor (http://finance.fiu.edu/controller/Docs/Travel_Manual.pdf).



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When renting cars generally, the traveler must rent compact cars. Upgrade of one size level may be approved by Vice Presidents or above with a valid business purpose clearly articulated. When the traveler is carrying work related cargo of a significant amount beyond their own suitcase or if the traveler is driving several other University authorized travelers for business purposes larger sized vehicles may be rented.

For travelers using their personally owned vehicles (POV), reimbursement will be calculated on mileage at the FIU approved rate. The Foundation reserves the right to reimburse a traveler less than the mileage amount if travel could have been conducted more economically using a round trip commercial flight and rental car to accomplish the same travel objective. Documented medical conditions or a valid business purpose for extended travel by privately owned vehicle may be approved by Vice Presidents.

Cancellation/Penalty

Cancellation/penalty fees or excess expense may be reimbursed for changing travel plans due to accommodating University needs. It is the responsibility of the traveler to substantiate that the charges were proper and necessary via a memo that is approved by a Vice President or higher.

Costs incurred for changing travel plans due to personal reasons or for the convenience of the traveler will not be reimbursed.

Guest Travel

Foundation funds may be used for travel expenses related to guest, or non-University employees for business related expenses if it does not conflict with the purpose or donor restrictions associated with the Foundation account to be charged. Non-employees would include consultants, lecturers, employment candidates, donors, board members, etc. Covered expenses would include the same business-related expenses applicable to University employees.

Travel expenses for a spouse will be covered if there is a legitimate business purpose that must be specified (i.e., when the presence of the spouse is considered helpful to a fundraising effort or to participate in events where spouses of prospects, donors, etc. are in attendance) and approved by a department's corresponding Vice President.

Both guest and spousal travel must be pre-approved via TA. Guest and spousal affiliation and detailed business purpose for attendance, among other matters, is REQUIRED to be noted on all TA's. Any guest or spousal travel not pre-approved will not be reimbursed.

Students and Unaffiliated Minors

The Foundation will NOT reimburse as a business expense to individuals, nor will the Foundation pay vendors directly for travel involving students or unaffiliated minors. ALL such arrangements must be made through the University to ensure that all laws, regulations, and University policies regarding the transportation of students and unaffiliated minors are followed and so that the University stands in the first position should any liability be incurred. The Foundation will only reimburse expenses incurred by the University for the transport of students and unaffiliated minors. As with all other travel, a TA is required for students and unaffiliated minors traveling on behalf of the University.

Business Meals

This policy shall be followed by the University Community regarding the reimbursement or payment by Foundation funds used for business meal expenses.

Business meals are not events. Business meals typically feature discussion, usually of a private or semi-private nature and are usually small in scale. Events are defined as gatherings that include a programmatic component (lecture, musical performance, award ceremony) of a semi-public or public nature.

Business meals and events share certain features:

- potential attendance by non-University employees
- serving of a meal

This policy covers business meals not events.

Business meals shall be reimbursed within the parameters set forth in the FIU Foundation, Inc. Disbursement Procedure provided they support a University purpose, the expense is in accordance with donor restrictions, there are sufficient funds in the specific Foundation account, and the authorized signer approves the invoice for the employee reimbursement. The Foundation does not advance funds for any type of expense. Expenses will either be reimbursed after the expense has been paid, or direct payment will be made to the vendor.

Gifts

Expenses related to gifts offered to a University employee, non-employee, donor, or charitable organization may be funded from a Foundation account. Gift expenses shall be reimbursed within the parameters described in the FIU Foundation, Inc. Disbursement Procedure provided they support a University purpose, the expense is in accordance with donor restrictions, there are sufficient funds in the specific Foundation account, and the authorized signer approves the invoice for the employee reimbursement.

The Foundation has the obligation to comply with IRS regulations regarding gifts to employees. The Foundation does not advance funds except for deposit type expenses that include a detailed invoice from a vendor. Expenses will either be reimbursed after the expense has been paid, or direct payment will be made to the vendor. Some gift expenses (based on the value of the gift, the purpose of the gift, or the recipient of the gift) are not appropriate uses of Foundation funds and therefore will not be reimbursed from Foundation funds.

Events

Events are not business meals. Events may include a business meal or not. Events by definition include programming beyond discussion during a meal. Examples of programming include: speakers, awards, student/faculty demonstrations; panel discussions; product previews; research posters; competitions; film screenings; art exhibits; tours; organized and/or participatory activities (i.e., golf outing); and so forth. For events hosted by the University, expenses will typically include venue rental and insurance costs; staging costs (lighting, video, audio, stage, etc.); expenses for decorations and furniture set up; expenses for parking; printing/ mailing of flyers and invitations; expenses associated with entertainment; expenses to reimburse the travel of guests/presenters; as well as expenses for food and beverages.

Alcoholic beverages are allowable at any event on University premises, if in accordance with FIU-2505 Alcoholic Beverages (<https://regulations.fiu.edu/regulation=FIU-2505>). The Request for Service, Sales or Consumption of Alcohol (<https://webforms.fiu.edu/view.php?id=1738533>) must be completed and submitted.

Non-FIU events are those events created and hosted by independent legal entities that are not Florida International University, one of its Direct Support Organizations or affiliated entities. Cash donations to other charitable organizations are prohibited. Donating to other charitable organizations constitutes the redirection of donated funds intended to support the mission of Florida International University. Payment for tickets to charitable events where a meal or other entertainment is provided may be reimbursed or paid if attendance to the event serves a business purpose.

Honoraria

All Honoraria are to be processed through the University following the University procedure (<http://finance.fiu.edu/controller/Docs/Honoraria2015.pdf>).

Gift Cards

All gift cards are to be processed through the University following the University procedure (<http://finance.fiu.edu/controller/Forms.html#GiftCard>).

Athletics Tickets

Athletics tickets for donors fall into two categories:

- Tickets related to a donation
- Tickets used as part of cultivation or stewardship (gift to donors)

Tickets for donors are expensed to projects controlled by Athletics and/or the Foundation using different criteria for each category identified above.

In the case of tickets related directly to a donation, where the expense is incurred in the same project as the contribution revenue, the documentation to support the expense must include a copy of the gift receipt issued by the Foundation to the donor stating the fair market value of the tickets as required by the federal revenue code and explained in IRS Publications 526 and 1771. The expense shown on the voucher (or unencumbered payment form) for the ticket must match the fair market value shown on the donor receipt, and both must be capable of substantiation by other written, readily available data. If the gift receipt issued to a donor does not show the fair market value of the ticket (i.e., there is no quid pro quo as defined in a gift agreement or membership form) then the tickets cannot be expensed in the project funded by the donor's contribution.

If there is no contractual agreement or membership form, then the tickets must be considered to be part of the second category, fundraising expense due to cultivation or stewardship and must be expensed in a discretionary fund not related to the contribution receivable. This latter category should be rare and the department should be ready to demonstrate the cultivation or stewardship purpose achieved. This latter category is subject to the section of this policy/procedure that relates to gifts to donors.

RELATED INFORMATION

University Travel Expense Policy

Florida International University Office of the Controller Travel & Other Expenses Manual

FIU-2505 Alcoholic Beverages

CONTACTS

Administrative Office's Address

Assistant Vice President - FIU Foundation, Inc.
11200 SW 8th Street, MARC 5th Floor
Miami, FL 33199

Telephone Number

305-348-3758



HISTORY

Approved July 1, 2015

Amended June 4, 2021