OFFICE OF THE CONTROLLER POLICY 2 GENERAL POLICY ON EXPENDITURES

The University of North Carolina at Greensboro

Approved by Paul Forte, Interim AVC for Finance, August 4, 2021

Revised August 4, 2021

1. **Purpose**

   This policy outlines the University’s general policy of fiscal responsibilities and accountability of expenditures to maintain integrity in the University-related transactions and to reduce the potential for misuse of University resources.

2. **Scope**

   This policy applies to all University funds, regardless of fund source, spent by all departments, units, and divisions.

3. **Definitions and Roles and Responsibilities**

   3.1 **Definition**

       **Fund Owner**: an individual with disbursement authority over a fund. Fund Owners are personally responsible for all transactions within owned funds. The Fund Owner (Principal Investigator, Department Head or above) has the responsibility to ensure that proper documentation procedures are followed for accounts or projects that he/she controls and that only authorized expenditures are charged to an account. It is the responsibility of the Fund Owner to review his or her monthly fund reports in detail on a timely basis, as a tool to better fulfill their responsibilities.

4. **Policy**

   **General Statement**

   The administration of The University of North Carolina at Greensboro, being mindful of its responsibilities to manage funds from all sources which are entrusted to it for carrying out its programs and activities, deems it advisable to promulgate written policies, guidelines, and procedures for the prudent expenditure of those funds. Such policies assist the University in meeting its obligations of public accountability and responsibility to the State of North Carolina and to other constituencies which have made those funds available. Our responsibility is to facilitate the support of quality programs while ensuring that resources for those programs are spent legally and wisely. The State Auditor, and other relevant agencies, have insisted upon certain standards.

   These policies, guidelines, and procedures are applicable without exception to all funds owned or administered by The University of North Carolina at Greensboro. All expenditures of the University are to be consistent with applicable State and Federal laws and regulations; any restrictions, rules, or regulations placed on the use of the funds by donors and granting or contracting agencies; and prudent management.
practices. In addition, all expenditures from University funds must be reasonable and necessary for carrying out the programs and activities of the University and are to be documented in a way which clearly substantiates such reasonableness and necessity.

Before expenditures are made against any University funds, there must be evidence that the Procurement Policies and Procedures have been followed, thereby ensuring that a valid commitment of University funds has been made. Obligations incurred by any employee of the University in conflict with the Procurement policies and procedures become personal obligations of the employee and not of the University. For a more precise and detailed description of those policies and procedures relating to purchasing commitments, reference should be made to the Procurement Section of the Policies and Procedures Manual.

Approval of Expenditures
Signature of the appropriate Fund Owner (person responsible for a fund, or a designee) is required for expenditures to be made against the fund. Since there are several ways in which obligations are incurred and expenditures made, the approval of the Fund Owner/designee is required on those documents pertinent to the situation. The individual with fund responsibility (usually a Department Head, Director, Dean, or other management level position) has ultimate responsibility for all transactions for their fund(s) and are held accountable.

Purchases not requiring approval from the Procurement Office prior to purchase
Items qualifying as purchases of this nature are specified explicitly by the Purchasing Office:

- Office of the Controller Procedure 2 Expenditure Authorization
- Form BANFIN-32
- Intra-Campus Purchases
- Office of the Controller Procedure 4 Interdepartmental Invoices
- Forms BANFIN-59, BANFIN-60, BANFIN-66, BANFIN-69, BANFIN-72A

In addition, prior to the time a check is written, each request for expenditure must be signed on behalf of the Vice Chancellor for Finance and Administration by a designated Finance employee. Requests for expenditures not meeting the documentation standards and other guidelines must be rejected, and a reason for such rejection clearly stated. Unless the problem is resolved by the requesting account holder, the Vice Chancellor for Finance and Administration, who has final authority in resolving all questions relating to validity of expenditures, will not approve the payment.

Documentation Standards for Expenditures

- Expenditures require the following documentation:
- Original Invoice from the vendor with the purchase order number printed on it.
- Authorized Signature(s) of Fund Holder(s)/Budget Authority or designee for the Approval of Expenditures. (Review within Banner of FTIFATA [FOAPAL Attribute Association Query] shows the current list of personnel of the Fund Holder(s)/Budget Authority.
- Evidence of receipt of goods/services including the date on which the goods and/or services were received or performed and the signature of the person receiving the goods, using the on-line receipt system, as applicable Acknowledgement of goods/services received must be indicated in the Jaggair SpartanMart system. Receiving guidelines are in SpartanMart under Procedures/How-To’s Quantity Receiving and Cost Receiving. (Standing Orders Only) Expenditure authorizations must be filed within 45 days of the date of the invoice/receipt.
- Expenditure Authorization (Procedure 2), Form BANFIN-32, for those purchases not requiring approval from the Purchasing Office prior to purchase.
- Petty Cash Establishment/Reimbursement (Procedure 1) Form BANFIN-34 for expenditures made using petty cash funds.
- Other pertinent supporting schedules and/or information required to document the expenditure. For example, entertainment expenditures require identification of persons or groups being entertained, the location of the entertainment, and the purpose of the entertainment.

Documentation standards for travel expenditures are documented in the Travel Manual.

State Restrictions on Expenditures
The State of North Carolina forbids or restricts the expenditures of State Appropriated Funds for the following:
- Employee’s moving expenses
- Entertainment
- Alcoholic Beverages
- Gifts
- Honoraria for employees*
- Excess travel expenditures unless allowed in Travel policies of the State. (See Travel Manual) *Such payments are additional payments to the employee’s salary.

University Funds Restrictions on Expenditures
University funds are restricted or may not be expended for the following:
- Honoraria for employees must be treated as additional payments to the employee’s salary and processed through the Human Resources/Payroll system.
- Business gifts must be authorized by the appropriate Vice Chancellor or Chancellor and cannot exceed fifty dollars ($50.00). They must be paid from a discretionary fund funded by Chancellor discretionary allocation.
● Travel expenditures must be consistent with Travel policies and procedures. Refer to the Travel Manual.

● Entertainment expenditures must be consistent with Business Entertainment policies. Refer to Office of the Controller Policy 14 Business Entertainment.

● Expenditures must be consistent with the restrictions placed on the fund by the donor, State of North Carolina, or the University.

● Expenditures from gift and endowment income funds must be made prudently with the intent of the donor in mind and follow the restrictions set by the donor.

The primary purpose of an expenditure must be for the benefit of the university and, therefore, not for the direct benefit of an employee.

Emergency Checks

If extenuating and non-recurring circumstances create the immediate need for a University check, an emergency check is prepared. Such emergency requests must be submitted on form BANFIN-32, Expenditure Authorization, with supporting documentation to the Office of the Controller before 11:00 a.m. The emergency check will be available by 2:00 p.m. on the next working day. The supporting documentation must include a written substantiation of the need for an emergency check.

5. Compliance and Enforcement

The University Controller is responsible for ensuring compliance with this policy.

6. Additional Information

6.1 Supporting Documents

Spending Guidelines
Accounting Forms
BANFIN-32
BANFIN-34
BANFIN-59
BANFIN-60
BANFIN-66
BANFIN-69
BANFIN-72A
Procurement Services Policy 1 Methods of Purchase
SpartanMart
Travel Manual
Cost Receiving
Quantity Receiving
Office of the Controller Procedure 2 Expenditure Authorization
Office of the Controller Procedure 4 Interdepartmental Invoices
Office of the Controller Policy 14 Business Entertainment
6.2 Approval Authority

This policy should be approved by the Interim Associate Chancellor for Finance.

6.3 Contacts for Additional Information and Reporting

- Responsible Executive: Melissa Hoff, University Controller, (336)334-5795, mshoff@uncg.edu
- Other Contact: Robin Jones, Accounts Payable Manager, (336)334-5740, r_jones5@uncg.edu