

SADDLEBACK COLLEGE FOUNDATION ACCOUNT EXPENDITURE GUIDELINES

The Foundation shall establish accounts for expenditure of funds held within the foundation accounts, for support of college development, fundraising, or support group activities.

The following are policies and procedures for Trust Account and Restricted Revenue account administrators (or his/her designee) for use in the operation of foundation accounts.

APPROVALS

Direct reimbursements require the following signatures before final foundation approving authority: supervisor, dean, and foundation director. Computer related items need to be approved by the Director of Technology and Broadcast Services. Expenditures over \$5,000 require additional approval of the college president and/or budget manager. Person being reimbursed certifies expense was incurred for college/foundation business; dean or director of person being reimbursed approves expense is appropriate and authorized.

In order to ensure timely processing of requisitions, original receipts and/or appropriate justification must be included with the completed requisitions. Requisitions must have authorizing signatures on all requests for fund disbursements. Travel/conference requisitions must be pre-approved according to the guidelines established by Saddleback College. Failure to follow these guidelines will result in the delay of your request. Checks are normally processed once a week, generally on Tuesday.

Requests for reimbursements for items purchased and shipped to an address other than Saddleback College will not be considered for processing.

PURCHASES OF EQUIPMENT OVER \$1000

All purchases of an individual piece of equipment over \$1000 MUST be processed through Purchasing. There are no exceptions. Trust account holders may specify to the Purchasing Department the vendor and exact piece of equipment to purchase noting "no substitutions."

I. TRAVEL

It is the policy of the Saddleback College Foundation that all official travel shall be properly authorized, reported, and reimbursed in accordance with college and foundation travel regulations.

Authorization shall be obtained prior to undertaking official travel/conferences. Travelers who fail to obtain prior authorization may be liable for the expenses incurred.

In general, travel expenses will be reimbursed for actual expenses incurred. Claims for reimbursement of expenses paid for others must include the names of the persons, and itemization of the expenses and supporting documentation.

The following definitions and policies shall apply to the reimbursement of travel expenses:

1. Staff Subsistence Expenses

Subsistence expenses consist of charges for meals, lodging, and their attendant expenses and all charges for necessary personal expenses incurred while on travel status. Such expenses shall not be reimbursed if they were incurred within the vicinity of an employee's headquarters or residence, or for travel that occurs wholly between 7 am and 7 pm in a single day. An exception may be allowed for certain meals that are part of an event, and a copy of the agenda must be submitted with the expense. Original receipts with itemized expenditures must be included. Subsistence expenses are the daily rate of: \$10 breakfast, \$15 lunch and \$25 dinner.

Miscellaneous Travel Expenses

At times, while on travel status, an employee may have an occasion to meet with donors or other executives. The guidelines to be followed would be the same as stated in Foundation Entertainment Policy.

The following expenses may be reimbursed as travel expenses: charges for commercial carrier fares; rental car charges; private car mileage allowance; overnight and day parking; bridge and road tolls; necessary taxi, bus, or streetcar fares; and, all other charges essential to the purpose of official travel.

Travelers must utilize the most economical mode of transportation and the most traveled route. Expenses resulting from the extension of route for the convenience of the traveler will be borne by the traveler.

As exceptions to the above general policy regarding class of travel, the use of first-class or higher cost services may be authorized by the college president or his/her designee under special circumstances such as when first-class service is the only service offered between two points.

3. Registration Fees

Registration fees are those payments made for professional conferences or course work. Registration fees may be paid in advance through submission of a requisition. The requisition must be accompanied by supporting documentation indicating the cost of the conference/course work. This documentation may be a brochure, letter, or admission material. Registration fees must be authorized by the appropriate approving authority for the account.

4. Privately-Owned Automobiles

The basic reimbursement rate per mile shall be the current IRS allowance consistent with college policy. Under the applicable income tax regulations, travelers who claim this basic rate are not obligated to maintain records substantiating their actual costs of vehicle operation.

Persons who use private automobiles on college business are required to certify that the vehicle has the minimum liability coverage in force (not less than \$50,000/\$100,000 and

property damage insurance of not less than \$25,000.) Employees shall be required to provide certification of their insurance coverage to the foundation.

II. ENTERTAINMENT

1. Type of Expenditures

Expenses for entertainment must be directly related to, or associated with, the active conduct of official college business. When the account administrator or his/her designee acts as host, the occasion must, in the best judgment of the approving authority, be significant in the affairs of the college and not the type that the responsible individual would normally undertake in a personal rather than an official capacity. As a guide in reaching this decision, the approving authority must evaluate the importance of the event in terms of the costs that will be incurred, the benefits that are anticipated from this expenditure, the availability of funds, and the alternatives that would be equally effective in accomplishing the desired objectives.

Examples of situations meeting these criteria are:

- a. When the account administrator, his/her designee, or foundation hosts donors, prospective donors, or guests, the cost of meals, refreshment, tickets to performances or other forms of entertainment may be defrayed by the foundation account.
- b. When meetings of an administrative nature are held which are directly concerned with the welfare of the college or the foundation, the cost of meals or refreshment may be defrayed by the account. The meeting should take place over an extended period of time and the agenda should include a working meal to satisfy the requirement that the meal is part of the business function. Reimbursement will not be allowed when two or more employees from the same work location choose to go to lunch together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during regular working hours, or as a matter of personal convenience.
- c. Cost of meals or refreshments are allowable when receptions are held in connection with conferences, meetings of a learned society or organization, and fundraising events.
- d. When events in the community where prospective donors or significant community members are in attendance, the cost of meals, tickets or other expenses may be defrayed by the account. These events are considered public relations or donor cultivation activities.

2. Meeting Refreshments

- a. The SC Foundation purchases miscellaneous refreshments (coffee, tea, soda, etc.) for business meetings. These purchases include coffee, cups, sugar, cream, tea, soda, bottled water and similar items. As these items are used, names of individuals using these items are not required.
- b. Administrative meetings that are directly concerned with the college welfare may have the cost of refreshments reimbursed.
- c. Student-oriented meetings: When meetings between faculty or administrators and students are held, the cost of light refreshments may be reimbursed.
- d. Prospective donors: When the college hosts an event for the purpose of generating the goodwill of prospective donors; the cost of refreshments may be reimbursed.
- e. Receptions: The cost of light refreshments may be reimbursed for receptions held in connection with conferences, meetings or organizations, fundraising events, meetings of student organizations/groups, employee recognition or length of service awards or retirement presentations, student events such as commencement exercises, etc.

The following situations do not meet these criteria and must be treated as an exception to this policy. Advance approval must be received from the college president or designee.

- a. Entertainment of a spouse: the entertainment expenses of the spouse (or equivalent) of a guest or the official host may be reimbursed as an exceptional expense, provided such entertainment serves a bona fide college business purpose. Participation in official functions that require the attendance of a spouse may be considered bona fide business purposes. (Fundraising events, alumni gatherings, community and recruiting events are examples of activities that may require the attendance of a spouse.)
- b. Faculty/staff picnics or holiday gatherings: The cost of refreshments for employee morale functions such as a faculty/staff picnics or holiday gatherings may be reimbursed as an exceptional expense, provided it can be demonstrated that such functions serve a college business purpose. However, payment or reimbursement is **not** permitted for the following types of occasions: employee birthdays, weddings, anniversaries, farewell gatherings (other than retirement), etc.

3. Alcohol Policy

Purchase of alcoholic beverages is allowed for off campus entertainment activities. Students of the college shall not be provided alcohol from foundation accounts.

4. Payment Procedure

Entertainment expenses are paid by submitting a properly completed and approved requisition, which should state the date of the entertainment, the purpose of the entertainment, amount of expense, and type of event. A guest list containing the name, title, occupation, or group should be attached to completed check request. Original itemized receipts must support all expenses. Disbursements will be issued ONLY with original itemized receipts or an itemized invoice must substantiate all payments. Credit Card receipts and/or statements are not acceptable documentation for any payment. If a reimbursement is being requested for meals other than travel, the receipt must indicate the individuals that attended the meal and the purpose for the meeting.

5. Advances

In the course of conducting college business and special events, the vendor sometimes requires advance payments. Advances are allowed for planning and executing such events. These payments include, but are not limited to, deposits for caterers; equipment rentals; valet/parking services; facilities rentals, and florists. Proper documentation will be submitted with a check request at least 14 days prior to the event. The original receipt for advances must be submitted to the district within 5 business days following the event.

III. RECOGNITION

1. Donor/Volunteer Recognition

- a. Definition: When the college receives a donation, a donor or community member may be recognized with a gift or recognition item. The occasion must, in the best judgment of the approving authority, be significant in the affairs of the college.
- b. Types of Recognition
 - (1) Recognition of community service, honors or awards.
 - (2) Recognition of donation to the college or foundation.
 - (3) Recognition of volunteer service such as hosting an event or participating in a fundraising campaign.
- c. Expenditure Levels: The donor recognition item should not exceed \$100 in value for any one item. No one donor should receive more than \$600 in recognition gifts in a given calendar year.

2. Staff Recognition: An item of tangible personal property of minimum value may be presented to employees for noteworthy accomplishment, recognition of performance, or promotion. Such awards shall be non-cash, and not to exceed \$50. Example awards are flowers, tickets, fruit, books, or plaques. Recognition awards that exceed these amounts require exceptional approval from the college president.

IV. PURCHASING

Contracts

- a. The Foundation office should be contacted when an employee is asked to enter into a contract for goods and services. The contract must be approved and signed in advance by Gary Poertner, Deputy Chancellor of the SOCCCD.

V. INDEPENDENT CONSULTANTS/CONTRACTORS

1. Independent Contractor Relationship

An independent contractor relationship exists when the college has the right to control only the result of the service, not the manner of performance.

2. Independent Consultant

An independent consultant is an individual or organization outside the college of approved professional or technical competence that provides primarily professional or technical advice to the college in an independent contractor relationship.

3. Payment

Payments for independent consultants/contractors must be processed using the district's Instructions for Processing Contractor and Consultant Agreements. These instructions are available through the foundation office and can also be found on the District Business Services website. No work should be performed prior to the approval of the agreement as prescribed in these instructions. Under no circumstances can a district or college employee be employed as a consultant or contractor.

VI. TICKETS

1. General Policy

Tickets to cultural, community and other entertainment events may be purchased by the account administrator or his/her designee for donor cultivation and public relations activities. Tickets may be purchased in advance. Names of persons attending the events are not always available at the time of the purchase. The account administrator or his/her designee is responsible for maintaining supporting documentation of the names of individuals attending the events and reporting to the foundation. Receipt after purchase must be given to the foundation office within 5 days after the purchase.

2. Payment Procedure

Submitting a properly completed and approved requisition is necessary to make ticket purchases. The requisition must state the date and type of event, the location, and amount

of the expense per person. All purchases must be supported by documentation such as invitation, invoice, or event announcement.

The account administrator or his/her designee is responsible for maintaining records of individuals attending the event after the event has occurred.

VII. MISCELLANEOUS

1. Extraordinary Exceptions

Approval of exceptional expenses must be obtained at the college president level. The request for reimbursement of such expenses must include a written justification as to why the higher costs were unavoidable and necessary to achieve a college business purpose. If adequate justification exists and provided such costs are deemed to be ordinary and necessary under the circumstances, an exceptional expense may be approved. Reimbursements of exceptional entertainment expenses shall be limited to the actual costs incurred.

2. Cellular Phones

Employee Owned Telephones: The foundation will reimburse employees for Saddleback College business related calls. To be reimbursed, an on line requisition must be submitted, accompanied by a copy of the cellular phone bill, detailing the purpose of the calls.

4. Salaries and Benefits

Salary payments to an employee on the district's payroll cannot be made from the Foundation due to federal and state reporting requirements pertaining to withholding and other related taxes. All payments for employee salaries and/or benefits must be made through the District Payroll Office in accordance with established procedures. The Foundation may abate the general fund salary account(s) from which the salary was paid.

5. Memberships

Memberships or dues in educational, professional or civic organizations may be paid through Foundation accounts providing the membership benefits the college welfare, generates goodwill for the program and serves a purpose. Institutional membership must have prior and annual approval of the board of trustees.