I. Policy Statement

The Business Expense and Reimbursement Policy applies to expenses incurred by a duly authorized University of Massachusetts Lowell employee or student conducting university business. The guidelines below adhere to Board of Trustee Business Expense Policy (T92-031, Appendix C).

II. Purpose

A. The Board of Trustee Business Expense Policy (T92-031, Appendix C) is applicable to expenses regardless of funding source and must be consistently applied to all University funds.
B. Expenses must have a clear business purpose and be directly related to the goals and mission of the University.
C. Expenses must be reasonable and appropriate under all circumstances.
D. Expenses must be fully documented and approved.
E. This policy also applies to employees conducting University business while on travel status.
F. Expenses for an employee’s spouse/domestic partner are not reimbursable except as allowed in University policy such as the University Executive Compensation Policy.
G. Department heads are responsible for compliance with this policy for their departments.
H. Employees will not be reimbursed for sales tax.
I. Fully approved reimbursement requests must be submitted within 30 calendar days of purchase.

III. Scope

This policy applies to all University of Massachusetts Lowell employees and students conducting university business.

IV. Definitions

University Funds: All funds, regardless of the source or the manner in which they are acquired, are considered to be University Funds.

University funds are defined as state and non-state funds, including but not limited to Grants, Contracts, Discretionary and Restricted account funds. Certain funds may carry additional external restrictions which must be adhered to in addition to this policy.
V. Procedures

University Functions and Events Paid/Reimbursed with University Funds

A. University events may be campus-wide or on a smaller scale including:
   1. Ceremonial and official functions
   2. Conferences retreats seminars (not as part of a sponsored grant/contract)
   3. Recognition morale activities including department wide staff events. Events should be reasonable and modest in nature.
   4. Public relations development fundraising events for the purpose of soliciting or generating the goodwill of prospective donors and alumni
   5. Departmental business meetings
   6. Recruiting of prospective employees
   7. Community engagement and research collaboration with external sponsors
   8. University sponsored meetings and conferences of an external organization

B. The use of University facilities, spaces and conference services should be used for all University events, functions and business meetings. Hospitality and Events Services coordinates all meeting events, and facility use including the Inn and Conference Center, the Tsongas Center and other campus facilities. Exceptions to use outside venues require prior approval by a member of Executive Cabinet (Chancellor, Vice Chancellor or Provost).

C. University campus-wide functions and events require prior approval through normal administrative channels and single events in excess of $1,000 require approval by the Provost, Dean, or Vice Chancellor and should include an estimate of total cost, description of business purpose and list of attendees. Fully approved Business Expense Approval forms should be kept on file in the department hosting the event, and a copy submitted with any requests for reimbursement.

D. Holiday Annual Events All holiday and annual department events sponsored from University funds must be reasonable and modest in nature and approved by Provost, Dean or Vice Chancellor.

E. Retirement Events marking an employee’s retirement from the University should be reasonable and modest in nature and must be approved by Provost, Dean or Vice Chancellor University funded events should only be considered for employees who have been employed by the University for a significant period of time generally 20 years or more.

Functions may also be held for directors department heads or higher who are stepping down from their positions and are either remaining with or leaving the University; they must have held the position for five years or more.

F. University funds may not be used for occasions such as employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature.

G. When planning any University function or event all efforts should be made to support the University’s ongoing sustainability efforts (e.g. reuse of flowers, minimize food waste, reuse of lanyards and/or name tags where possible, etc.)

Food and Beverage Provided at Business Meetings and University Functions and Events

The University may pay for or reimburse expenses for meals or light refreshments provided in
connection with business meetings and other university functions involving University employees conducting official University business. Food and beverage at business meetings require approval through proper administrative channels.

One-on-one business meals are prohibited between two employees of the University including one-on-one meetings between UMass Lowell employees and employees of the system office or other University campuses. This rule applies to employees on travel status as well.

Guidelines for providing food & beverage (meals) at meetings and events:

A. Meals (breakfast, lunch and dinner) should not be provided at regular business meetings attended only by University employees from the same department or location unless held during meal times in order to accommodate an extended agenda or where participants could not meet during regular business hours.

B. Meals should not be provided as a matter of personal convenience and must be reasonable and appropriate to the purpose and nature of the meeting. Staff participation should be limited to those persons required to conduct the business.

C. Meals may be provided for employees who are required to work on-site for extended hours due to ongoing projects or urgent issues. Supervisor approval is required.

D. Events and business meetings on or off campus, being held on properties owned, operated or controlled by the University, that include food and beverage must be provided by University Dining Services.

E. Reasonable menu items encouraged to be selected for events to minimize costs to the University.

F. University employees on travel status may be reimbursed for the actual cost of a meal while conducting a business meeting as defined above. An individual’s meals while traveling are otherwise reimbursed according to the per diem rate defined by the General Services Administration or the U.S. Department of State. This is further outlined in the University’s Travel Policy.

G. In meetings with non-University participants, for the purpose of recruiting potential employees, soliciting prospective donors or sponsors, and hosting official guests when necessary for the conduct of the University/campus business, alcoholic beverages may be purchased during the meal. The expense should be commensurate with the nature of the business and approved by Provost, Dean or Vice Chancellor. (See section regarding Alcohol Policy for University Events, pg. 5).

H. Light refreshments (pastries, snacks, refreshments etc.) may be paid for or reimbursed when participants from more than one department and location attend regular meetings.

Purchasing or Complimentary Distribution of Event Tickets

A. General Policy
   The University may provide or pay for tickets to a University sporting, theatrical, or musical event to an employee or prospective donor in connection with the conduct of official University business. Documentation is required to clarify the University business purpose.
and must be approved by the Provost, Dean or Vice Chancellor.

B. Tickets and Donations to Charity Events
In general, University funds should not pay for fundraising activities, table sponsorships, or awards dinners to external non-for-profit organizations unless such an event or payment is directly tied to the mission and activities of the University. The department assuming the expense should document this purpose and connection and attach such justification to the related payment documents along with the written approval of the expense so that it is clear why the University is making such a payment.

Consistent with the Board of Trustee Policy for Management of University Funds, contributions and gifts given to external organizations must be approved by a member of the Executive Cabinet.

Employee Non-Cash Awards and Gifts

A. General Policy
1. Noncash gifts or awards to employees may be paid for by the University for the Events listed below in Section B.
2. Gifts or Awards of value should be infrequent and document and approved through normal administrative channels.
3. Gifts may not be provided as personal gratitude or in lieu of compensation and must conform to the Internal Revenue Service (IRS) regulations to be excludable from an employee’s gross income.
4. University funds may not be used for occasions such as employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature.

B. Allowable Awards and Gifts
1. Employee Recognition and Length of Service Awards
   A non-cash award may be presented to an employee in recognition of outstanding work-related accomplishments. This award should be part of a pre-defined program (e.g. Employee of the Month) and of modest value.
2. Retirement
   a. A noncash gift may be presented to an employee upon retirement from the university. The item must be commensurate with the nature and value of the employee’s contribution to the University.
   b. Individuals attending a retirement function may contribute to the cost of the event and the gift.
3. Sympathy/Memorial/Extended Illness
   a. Gifts of tangible personal property, such as flowers, may be presented on behalf of the University as an expression of sympathy in the event of the death or major illness of an employee or a member of the employee’s immediate family.
   b. Gifts may not include donations from University funds to a designated charitable organization.
   c. Cost should be moderate and reasonable in nature.

C. Gift Certificates and Cards Guidelines
1. Gift certificates and gift cards may be issued for University of Massachusetts Lowell venues and entities such as the bookstore, dining and retail facilities, events and activities. The gift certificates/gift cards cannot be converted to cash. The amount should not exceed $25.
2. Such gift certificates and cards must confer only the right to receive tangible personal property. Department issuing gift certificates/cards must keep a record of all gift certificates/cards issued. This record should include recipient name and amount received.

3. If gift certificates or gift cards are distributed in conjunction with human subject testing, please refer to the Institutional Review Board’s Policy and Procedures.

**Employee Professional Dues and Subscriptions**

The university may pay for employee membership dues to professional organizations and subscriptions to professional journals or newspapers if they are appropriate for the individual's position and duties and if the membership or subscription benefits the university.

A. Life memberships in a professional organization may be purchased, at the discretion of a senior department manager, if it is anticipated that the overall cost will be less than the cost of annual memberships over the employee’s anticipated tenure at the university.

B. Departmental coordination of subscriptions is encouraged to avoid duplication.

C. Dues and subscriptions should be in the name of the university to the extent possible and delivered to a university address.

D. Union dues will not be paid by the university.

E. All individual club memberships, including UMass Club, are an individual’s responsibility and the membership costs are not a business or reimbursable expense.
   a. If an employee uses the UMass Club for a legitimate official business meeting, the costs of that meal are reimbursable with proper documentation just as any business expense is reimbursable.
   b. Official events of the University may be directly billed by the UMass Club to the University and such invoices will be paid through our routine accounts payable process.

F. Memberships and subscriptions are not generally allowable as direct costs on a sponsored project. Staff should contact the Office of Research Administration before attempting to charge these expenditures to a sponsored project.

**Information Technology**

All Information Technology services, per Board policy, must be procured through the Information Technology Division.

A. Cell Phones and Other Communication Devices

1. To comply with IRS standards, the University has developed this policy for employer provided benefits including cell phones and other communication devices.

2. The University will be considered to have provided an employee with a cell phone or other communication device for non-compensatory business purposes if there are “substantial reasons”.

3. Substantial non-compensatory business reasons include:
a. University’s need to contact the employee for work related emergencies
b. University’s requirement that the employee be available to conduct University business when away from the office.

4. Accordingly, employees will be asked to complete a Cellular Phone or Other Communication Device for Substantial Non-Compensatory Business Use Affidavit.

5. This policy is not intended to promote the issuance of, nor personal use of, university property for personal use. It is intended to address the convenience factor that some employees need to be contacted at odd times when away from the office, who need not carry two different cell phones, one for work another for private use.

6. Employees are strongly discouraged from using their own personal cell phone for University business. Employees who own their own cell phones and pay their own monthly plans may request an exception, with approval of Provost or Vice Chancellor, to submit specific university related costs for reimbursement.

B. Home Use Internet Access

Home use internet access will not be reimbursed.

Alcohol Policy for University Events

A. The Board of Trustee Business Expense Policy states “purchase of alcoholic beverages is highly discouraged due to the expense and the potential liability involved. However, when written authorization is obtained prior to the event, purchase may be made through University Dining Services or their approved substitute.”

B. The University of Massachusetts Lowell (UMass Lowell) prohibits the use of alcoholic beverages in all workplace and academic settings and all UMass Lowell–controlled buildings and properties, except for specifically sponsored UMass Lowell events in designated areas and only by those individuals of legal Massachusetts drinking age. In addition, while on UMass Lowell–controlled property, the unlawful manufacture, distribution, dispensation, possession, use and/or sale of alcohol is strictly prohibited.

C. Any UMass Lowell–sponsored event that includes alcoholic beverages must be approved by a member of the Executive Cabinet (Chancellor, Provost, Vice Chancellor).

Please refer to the University Alcohol Policy for further details.

The purchase of alcoholic beverages is not allowed on any state appropriated funds, federal and state grants or contracts.

Documentation

A. Prior approval of business meals and entertainment expenses is generally not required, except as specified in this policy. However, any doubts with respect to the reasonableness of an anticipated expense should be resolved by seeking advanced approval. Sound business judgment should be used when incurring business meal expenses. In order to qualify for reimbursement, business meal expenses must be incurred in connection with a specific business purpose.
B. All expenditures must be accompanied by a receipt and documentation including all of the following:
   1. The date, location and description of the expenditure.
   2. The name(s), title, organization affiliation and business relationship of the person(s) in attendance.
   3. Business purpose for incurring the expense.
   4. Approval of the expenditure through administrative channels noted above.

**Business Expense Reimbursement**

A. [University Board of Trustee Procurement Policy (Appendix A)], states that “no person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the obligation.”

B. The University will not assume liability for purchases that are not made through approved purchasing procedures. **Poor planning does not constitute an emergency condition.** The University operates a robust ProCard and Procurement system that allows departments and managers the flexibility to make purchases quickly without having to resort to the use of personal funds. Any employee with questions regarding this procedure should contact Purchasing, Accounts Payable, or the ProCard@uml.edu departments.

C. Reimbursements to faculty and staff for purchases or material from any University fund should be made only under **extraordinary circumstances.**

D. Employees wishing to make computer purchases should follow the [Information Technology guidelines].

E. Employees should have approval from their supervisor before they make any commitment to a vendor or make a purchase with the intent of being reimbursed.

F. **The employee being reimbursed cannot be the authorized signature; the immediate supervisor must sign above the authorized signature on the reimbursement form for payment to be processed.**

G. Undergraduate students should not be expected to make any department purchases that would require reimbursement. Departments should utilize ProCard and other purchasing procedures.

H. Employees will not be reimbursed for sales tax. The University does not pay sales tax for purchases and therefore will not reimburse you for that portion of your purchase. Please use the ST-2 form, which can be obtained through the [Accounts Payable website] using University credentials.

I. Any reimbursement request in excess of $250 will require approval of Dean, Executive Director, Associate Vice Chancellor or Director of Purchasing or Controller.

J. Original receipts must be attached to reimbursement request.

K. A detailed justification for the purchase must be provided.

L. If the expense is for lunches, conference meals, campus events and refreshments, please see section on Food and Beverage Provided at Business Meetings and University Functions, pp. 2-3).
M. These procedures supplement and do not in any way replace established purchasing procedures or regulations.

N. Exceptions to these Business Expense reimbursement procedures must be approved by the Vice Chancellor of Finance and Operations or designee. All exceptions must be documented.

O. Any exceptions to the ProCard policy must be requested through the ProCard Manager.

**Tax Implications**

All reimbursements should be submitted to Accounts Payable with 30 days of expense. Any request received 120 calendar days after the purchase is considered taxable income by IRS regulations and will be treated as such by the University that the reimbursement will be considered taxable income to the recipient.

**Missing Receipts**

In the rare occasion that a receipt has been lost or cannot be re-generated by a vendor, a Missing Receipt Affidavit must accompany the request for reimbursement. A bank statement may not be submitted in lieu of a detailed vendor receipt.

**Delegation of Permissions**

If you wish to delegate your permission to create reimbursement requests within Financial Production Travel and Expense Center, please contact Accounts Payable. Approvals may not be delegated.

**Cash Advances**

Effective July 1, 2016 the University discontinued the use of cash advances for travel. The University ProCard can be used for many of the expenses previously covered by cash advances and prompt submission of expense reimbursement requests will allow the University to reimburse employee expenses in a timely manner. Cash advances will still be permitted for research related human subject testing.

VI. Responsibility

Procurement Services is responsible for the administration of this policy.

VII. Attachments

- Business Expense Approval forms
- Missing Receipt Affidavit
- Communication Device for Substantial Non-Compensatory Business Use Affidavit
- Events Standards Guidelines

VIII. Related Policies, Procedures, Guidelines and Announcements

- BOT Business Expense Policy
- BOT Procurement Policy (Appendix A)
- BOT Travel Policy
- BOT Policy on Management of University Funds
Travel Expense Policy, FS-2-105
Alcoholic Beverages Policy, SA-7-110
Per diem rates
Events Standards Guidelines

IX. Approval and Effective Date

On file with the Policy Office.