LEARN SOMETHING NEW EVERY DAY

- Huge --- is pronounced “H”uge
- Fiscal Officer --- is Fiscal Officer not Physical Officer
RECONCILING PCARDS

- Segregation of Duties---Two pair of eyes
- Tracking the receipts (log sheets)
- Set up a good internal systems
- Would you know fraud --- CJB reminds every Monday to provide receipts helps catch fraudulent expenditure quickly
- Beware of Behavior change/cardholders (routinely losing receipts, delay in providing receipts)
- Fake receipts/invoices???
- What is your process when fraud is suspected
- For Fraud contact Internal audit.
- If you know of possible fraud please report --- you could be at risk
- I’m happy to help
Interpretation of policy is difficult and can be viewed differently by different people.

Hospitality site to be tweaked.
WHEN DO WE PAY TAXES

- No Indiana sales tax on food “items” or grocery food items.
- IU does pay sales tax at restaurants.
- IU does pay sales tax to IU Merchants for meals such as IMU & Residential Programs/Traditions.
- If the event is a student event we should not pay sales tax.
- We are to pay sales tax when charged --- we do not add taxes if not charged.
- Hospitality request sales tax statement is to let you know we are charged.


Set up Departmental Parameters

- Discuss with your Dean/Chair/Director --- to create your own guidelines
- Bottle of wine what should be an average amount your department is comfortable reimbursing or not
- Does your unit reimburse all hospitality events?
UNALLOWABLE TRANSACTIONS WITH IU FUNDS

- Planning meetings for a student event without students at meeting --- not allowed
- Gifts for terminating employees (no retirement) --- pass the hat
- Business meetings between IU employees – IUF funds should be used
- Musicians and space rental is not hospitality
HOSPITALITY-BASIC CONCEPT

- No Meals (Except for Search & Screens, visitors, organized departmental meetings and retreats)
- Student Events are always allowable IF the event is for the benefit of the students
- The official word:
  - Hospitality Policy
    - Each Campus can be more restrictive and each RC can be more restrictive.
- Get approval in advance
  - If you are not sure which purpose to choose, call Rozzie! Give as much information as you can. We are always worried about front page test. Auditors will look for pre-approval.
HOW DO WE GET STUFF AT IU FOR HOSPITALITY?

- Pre-Approval
- Object Codes
  - 4025-food
  - 4026-fees collected
  - 4028-Student Activity Fee
  - 4868-Promotional
  - 4027-C&G
- Purchase Order (Org Ref ID) Put the HC code
  - Preferred Vendors (liabilities)
  - Wild Wild West
- DV to a vendor (Org Ref ID) Put the HC code
- DV to an individual (reimbursement) (Org Ref ID)
- P-cards (Org Ref ID)
WHAT DOES JILL SCHUNK SAY?

- Detail good, very good.
  - On all documents be clear what was approved for hospitality. Purchasing will not approve unless the hospitality code is listed on Org Ref ID
- Call early and often.
- Plan ahead and prepare purchase orders for catering
DISBURSEMENT VOUCHERS/PCDO

- Give information and be consistent with the approval.
- Show the hospitality code in Org Ref ID
- Post the approve Hospitality in the notes
ALLOWABLE DEFINITIONS

For which the dollar value must be determined to be “reasonable in amount, appropriate to the occasion, necessary, and serve a bona fide university purpose.”

Be good stewards of taxpayer $. The University does not default to hospitality.
**Student Events**

- University accounts funded by student activity fees are allowed to incur approved student activity expenses. Use object code 4028 these are Rec Sports, Union Board.
  - If your 23 accts accepts student activity fees they are outside of policy, use that object code.

- Student Events: **Benefit of the student** such as: RPS culture events, entertainment like Oscar night, Big Ten night, Dining with guest lecturers. Object code 4868 (Auxiliaries)

- Student activities not activity fee or auxiliary use object code 4025

- **Students must be greater in number than faculty/staff.**
  - Be honest on forms

- Orientation, recruiting, celebrations, end of year activities, field trips, classroom activities.
  - No holiday parties
SEARCHES

Those items related to the individual recruitment of faculty, staff or students, including search and screen committee activities/work.

- Object Code 4025
- Job openings, mostly for faculty
- Be reasonable; $400 bottle of wine-No, not even with IUF funds
- Cost of search expenses should be reasonable based on type of position

Spouses of Search Candidates: Spouses of faculty, staff, or students who accompany the party shall be reimbursed if the visiting spouse is present, or if the inclusion of spouses has the prior written approval of the appropriate school Dean or Vice President/Chancellor. Object Code 4025

Search Firms: Level of expenditure that is payable to search firms must be “appropriate and reasonable” to the position for which the search is being conducted. Object code 4520

- Contractual agreement, not hospitality
  - IU has 8-10 firms under contract already, go through purchasing first. Terms and pricing is already established.

Funds: IU and IUF for food, Search firm expenses IU

If a department has 3 similar vacancies in faculty, only need 1 hospitality request for all staff vacancies.
VISITORS/SEMINARS-MEALS/

- Meals for individuals invited as visitors who contribute to the intellectual life of the university community is allowable hospitality. Normally such visitors will deliver a seminar, colloquium talk, other lecture, or performance for the benefit of IU faculty and/or students. These visitors can NOT be local, state or federal government officials.

- **Can only pay for the guest with IU funds**
  - Pay for the rest of the guests who attend the meal with IUF funds.

- Consider --- would “organized departmental meeting” be appropriate for your activity?
ORGANIZED DEPARTMENTAL MEETINGS AND RETREATS

- Meals or refreshments for formally organized departmental or organizational employee business meetings/retreats are allowable hospitality with two key stipulations
  - To qualify, a meeting/retreat must be of at least one-half day duration.
    - Must be IUF funds
  - Keep the activity at IU when possible.
    - Be reasonable with location
  - Conferences differ in that they often have industry vendors.
  - Lunch only meetings are not permitted
    - Staff meetings should not be paid with IU or IUF funds
Training

- Refreshments for training sessions when training is provided by campus Human Resources (or approved by HR), campus faculty development offices, or is facilitated by an external training consultant are allowable hospitality expenses.
  - Object code 4025
  - Hospitality request needed
  - No duration requirement
COMMUNITY ACTIVITIES

- Community Outreach.
- Example: Radio and TV participates in the College Mall Trick or Treat. They have Radio & TV personnel rent Sesame Street costumes and they give out candy and books to the children. Is this hospitality or promotional?
  - Answer: Rental of costumes (object code 4610 for costumes) the candy would be promotional hopefully the IU/unit logo is identifiable or the candy is wrapped with the IU/unit logo (object code 4868)
    - Not an auxiliary object code 4025
CONFERENCES AND WORKSHOPS

- Conferences hosted by university personnel for which registration/vendor fees are charged can incur hospitality expenses not to exceed total revenues of the conference.
  - Conferences, workshops, seminars are viewed as similar activities.
- Collection of registration fee or an outside vendor which supports the meal(s), use object code 4026.
- No Fees collected --- use IUF
- If fees are collected and IU personnel and resources are used for the event the funds must be deposited at IU not IUF. (see policy FIN-ACC-I-460
- Funding from vendors should go to cover food first, object code 4026
- MUST USE OCERS to collect funds (no fee)
  - OCERS not charging for fee collection service only
  - If they are coordinating conference, then a fee is being charged as an auxiliary. Department will still be charged credit card processing fees.
    - Use IU services where possible
Congress passed the Honest Leadership and Open Government Act (HLOGA) in September 2007. The goal of this law is to shed more light on the role of lobbyists in influencing federal legislation.

- HLOGA covered expenses must be approved ahead of time by the IU Office of Federal Relations. Failure to do so may result in nonpayment of such expenses.
- All reportable expenses under HLOGA must be paid directly to a vendor or to a university employee for reimbursement. The following items are NOT allowable expenses:
  - Reimbursements paid directly to any covered federal official
  - Stipends paid to any covered federal official
  - Honorariums paid to any covered federal official.
- For more information and tips; [Policy on Federal Lobbying](#)
**Gifts**  
**Policy FIN-ACC-I-590**

- **Threshold**: $400 for retiring employees, $600 for non-employees that contribute to IU’s mission (can include donors)
  - Tangible gifts, i.e. pictures, vases, rocking chairs
  - Amount based on IRS guidelines
    - The recipient will be taxed if gift exceeds these limits.
    - Seek approval from VPCFO before spending more
  - Retiring employees means retired with retirement status at IU.
  - “Pass the hat” and you can buy whatever the department wishes for any amount.

- **Item**: decided by unit, must meet the standards of IU/IUF
  - Standards (e.g. no wine, no trips)
    - No gift cards

- **IUF funds only**

- Be cautious about providing “gifts” to retirees on 18/20
  - Give gift before the person retires; after they leave we cannot pay them and a gift is considered income.
AWARDS

- Item: Plaques, items with IU/School logo (paperweights, picture of Sample Gates w/award label, certificates)
  - Object code 4867
  - Over $100 probably too much, be reasonable
- Recipient(s): Staff, Faculty, Students, Guests
- Why: Staff appreciation for meeting department criteria, outstanding staff of the year, and tenure of the staff
- Funds: IU or IUF
- On requisitions for hospitality items, please appropriately identify these definitions; awards, promo items, etc. Let purchasing know what exactly you are doing.
- IUF will sometimes say the payment should come out of IU $, then be reimbursed from IUF. This is to ensure compliance through the university.
PROMOTIONAL AND GIVEAWAYS

- Recipients: Students, Visitors, Donors, Alumni, Employees (as part of registration fee for conferences, etc. but not intended for every employee)
- Reason: Recruiting of faculty and students: Promotional—items to promote unit
- Funds: IU or IUF
  - Document that the purchase will be using IUF funds.
- Items must have IU logo/unit logo
- Such as: mugs, lanyards, pens, water bottles, etc.
  - Items are inexpensive per item (approx. $20)
  - Object code 4025 recruiting, auxiliary or non-general acct use 4868
    - T-Shirts for incoming freshman should be on 4025
Uniforms

- What: T-shirt, Sweatshirt, Jacket
  - Reasonable in price, not $100 per item
    - Can get good prices through purchasing
- Recipients: Faculty, Staff and Student Employees
  - Uniforms must be worn at all unit functions such as orientation, every Friday, fairs, recruiting events, when appropriate
- Funds: IU or IUF
- Object code 4270
RECEPTIONS

- Receptions for which the primary purpose is the attendance and benefit of a group of students or potential students is allowable hospitality.
- An employee recognition reception (service anniversaries, retirements) is allowable hospitality.
- Official, ceremonial functions of the university (such as commencement, presidential inauguration) and similar functions are allowable hospitality.
- Receptions are always better than meals.
  - Can be used for academic visitors
Hospitality fundraising expenses are allowed where the revenue from the development activity goes to an IU account (and not an IUF account). (object code 4025)
- Example: expenses from IU should be paid with revenue first, then remainder goes to IUF

Activities that host donors/alumni in hopes of raising funds for IUF endowments. IU can pay for the compensation of the development person, office supplies, travel.

The hospitality event must be covered directly from IUF.
- If total intent of fundraising is to go to IUF, $ must go directly there and expenses paid from IUF also.
UNALLOWABLE HOSPITALITY
● Meals and refreshments for employees (except as allowed under allowable definitions)

● Meals and refreshments for the entertainment of local, state, or federal government officials
  ● Report to Polz any government officials hosted by a department

● Alcoholic beverages, including those associated with meals
  ● Bartenders serving soft drinks even has to be paid for with IUF funds

● Flowers not related to the allowable functions listed as allowable hospitality

● Charitable donations to any organization
  ● Use the word support, not “donation” or “contribution”

● Gifts of any kind, to any individual, whether or not they are university personnel

● Items utilized by a university employee in the entertainment of university guests that would be of a personal nature, e.g. golf clubs and memberships in social organizations
  ● Can pay for professional memberships, not social memberships
  ● University Club can be paid on behalf of employee because it benefits IU

● Hospitality related to fundraising expenses where the revenue from the development goes to an IUF account

This list is not exhaustive and does not cover all unallowable expenses.
Funding Sources - Awareness
GRANT, CONTRACT AND GIFT ACCOUNTS

- Any expense charged to a contract or grant account must be specifically detailed in the original agency approved budget or must be accompanied by specific written approval granted by the funding agency. The budget (or post award approval) must clearly define the function to be reimbursed (i.e. planning meeting with civic leaders) and not be referred to in vague or uncertain terms (i.e. hospitality for the grant).

- Seek approval from your respective C&G office.
  - Work with C&G personnel to see if allowed. Must be written in proposal.
  - If you need a HC code use the request site with note this was approved
**Drawings (and “Games of Chance”)**

- **Threshold:** The value of any prize offered must not exceed $300, total value of ALL prizes at an event must not exceed $900
  - Must be items
- **Item:** Items of nominal value ($10 or less), door prizes
- **Recipients:** Attendees at event or activity
- **Funds:** IUF (if non-auxiliary) or Auxiliary
  - Only auxiliaries can have games of chance
  - IU does not have games of chance—it is not part of our mission
- **See FIN.ACC.VII-4**