



OLD DOMINION UNIVERSITY

University Policy

Policy #3001

RESPONSIBILITY OF BUDGET UNIT DIRECTORS ON USE OF FUNDS (EXPENDITURES)

Responsible Oversight Executive: Vice President for Administration and Finance
Date of Current Revision or Creation: May 4, 2012

A. PURPOSE

The purpose of this policy is to promote the proper and reasonable use of funds to ensure compliance with Federal, State and University policies.

B. AUTHORITY

[Virginia Code Section 23-9.2:3, as amended](#), grants authority to the Board of Visitors to establish rules and regulations for the institution. Section 6.01(a)(6) of the [Board of Visitors Bylaws](#) grants authority to the President to implement the policies and procedures of the Board relating to University operations.

Old Dominion University has executed a Memorandum of Understanding (MOU) with the Commonwealth Department of Accounts and Department of the Treasury relating to the decentralization of non-payroll disbursements. The MOU documents the agreement in accordance with the Appropriations Act to delegate the operation of non-payroll disbursements to Old Dominion University as part of a program to grant relief from rules, regulations and reporting requirements in the areas of finance and accounting.

[Commonwealth Accounting Policies and Procedures \(CAPP\) Manual, Section 20310](#)

C. DEFINITIONS

Budget Unit Director - The University employee on record with the Office of Finance Data Control as having signature authority and financial management responsibility for a specific budget code.

Business Related Expenditure: An expenditure that is directly related to the operation of a functional area (i.e., school, department, administrative area, etc.) in the fulfillment of its stated mission or objective as part of the University' overall mission (i.e., instruction, research, public service, support services, operation and maintenance of plant, etc.).

Reasonable expense: An amount that a prudent businessperson would expend to obtain a particular good or service on behalf of a public agency of the Commonwealth of Virginia.

Commonwealth Educational and General Funds (Ledger 1): Funding sources include State general appropriation, tuition and educational and general fees, such as admissions fees, Child Study Center fees, and transcript fees.

Commonwealth Auxiliary Services Funds (Ledger 3): Funding sources include student activity fees, self-generated revenues and sale of goods/services, such as, room and board revenues, parking fees and fines, and Student Health Center fees.

Local Auxiliary Services Funds (Ledger 4): Funding sources include student activity fees, self-generated revenue and sales of goods/services, such as tickets sales for intercollegiate athletic events, recreational and intramural program fees, and dues from student organizations.

Discretionary and Gift Funds (Ledger 6): Funding sources include gift income, interest earnings from endowments, bookstore and vending commissions.

D. SCOPE

This policy applies to all individuals designated as Budget Unit Directors having fiscal responsibility for University budgets.

E. POLICY STATEMENT

Budget Unit Directors are responsible and accountable for all budgetary and fiscal matters pertaining to their respective department/college or unit. In instances when a fiscal transaction directly benefits the Budget Unit Director (e.g. travel expenses), the Budget Unit Director's immediate supervisor must approve such transactions.

Budget Unit Directors are charged with being stewards of funds provided by the Commonwealth and the University, and ensuring they are expended to best serve the University and its mission. These responsibilities include:

- adequate planning for use of funds and determining the availability of funds prior to initiating any expenditure action;
- reviewing and ensuring all funds are expended in compliance with Commonwealth and/or University policies and that they are properly documented;
- ensuring the funds are expended for the intended purpose and relate to the mission of the University; and
- monitoring expenditures to ensure they do not exceed budget authority.

Budget Unit Directors may delegate signature authority. The delegation of signature authority does not relieve the Budget Unit Director's responsibility to ensure the appropriateness of the expenditure and compliance with Commonwealth and/or University policies.

Failure of Budget Unit Directors to abide by these policies and procedures may result in revocation of fiscal authority, personal liability, and/or disciplinary action.

Certain expenditures that are funded with Commonwealth Educational and General Funds (Ledger 1), Commonwealth Auxiliary Service Funds (Ledger 3), and Local Auxiliary Service Funds (Ledger 4) must comply with Commonwealth Accounting Policies and Procedures (CAPP). Other expenses that are funded with Local Discretionary and Gift Funds (Ledger 6) must comply with University financial policies and procedures and, when applicable, in accordance with donors'

criteria. In all cases, expenditures should be reasonable and for the benefit of the University and its mission.

Examples of allowable and disallowed business expenses and the appropriate funding source(s) follow:

Allowable (Commonwealth E&G and Auxiliary Services: Ledger 1, 3, 4 and 6 Funds):

- Essential and reasonable operating expenditures within Commonwealth guidelines that directly support the mission of the University;
- Essential and reasonable travel expenditures within Commonwealth travel guidelines;
- Reasonable food/beverage service for special meetings or events benefiting the University;
- Purchase of equipment and supplies for office use;
- Memberships in professional organizations when the membership will result in direct benefit to the institution;
- Dedications and University sponsored events with a clearly defined business purpose, specifically, fund raising, community engagement, or entertainment of guests of the University;
- Purchase of items to be used for employee recognition programs approved by the Department of Human Resources or student recognition activities.
- Office plants and artwork/wall decor when they aid in the professional appearance of the office or building and are located in common/public areas;
- Subscriptions to news journals, periodicals and magazines where such subscriptions are necessary to fulfill one's professional responsibility. (Note: they should be mailed to an ODU office); and
- Funeral attendance travel expenses for one employee selected by the President or designee.
- Bottled water for outside workers or emergency provisions for employees if the water available in the building is hazardous to employees' health.

Allowable (Local Discretionary/Gifts: Ledger 6 Funds Only):

- Essential and reasonable travel expenditures in excess of Commonwealth travel guidelines;
- Reasonable operating expenditures directly benefiting the University in excess of Commonwealth guidelines;
- Memberships in social organizations when the business purpose has been clearly established and documented and the membership has been approved by the President;
- Length of service celebrations; (The cost associated with the function should be in proportion to the retiree's length of service and position within the institution.)
- Receptions, entertainment, alcoholic beverages, coffee, or office events with a clearly defined business purpose;
- Gifts and flowers for funerals, hospitalizations or University-approved events;
- Tickets, gifts and flowers for cultivation initiatives for the purpose of fund raising and community engagement. These purchases require a statement identifying the occasion, the recipient, and the business purpose; and

Disallowed For All Funds:

- Any expenditure that does not benefit the University;
- Non-essential, unreasonable accommodations while traveling, such as “luxury” accommodations;
- Excessive food/beverage service for special meetings or events;
- Gift cards or gift certificates;
- Interest on personal credit cards;
- Flowers and gifts purchased for any other purpose than those listed in the sections above (e.g., Holiday, “Thank You,” birthday, baby shower, Secretary’s Day, Bosses’ Day, etc.);
- Purchase of goods or service for non-University or personal use or for use by an organization other than the University;
- Cleaning of personal clothing worn on the job;
- Memberships in organizations when membership will not result in any direct benefit to the institution. Examples would include memberships to health clubs or gymnasiums;
- Donations or contributions to outside organizations; (An exception is allowed for contributions up to \$50 in lieu of flowers for a funeral and requires approval of the Vice President administratively responsible and the use of local discretionary or gift funds.)
- Picture framing for personal pictures that may hang in a University office but are not considered University property;
- Portraits of individuals whether retained by the University or not, unless prior approval is obtained from the Dean or Vice President administratively responsible for the area;
- The payment of any type of employee subsidy (i.e., rent, parking, insurance, etc.) unless prior approval has been obtained from the Vice President administratively responsible.
- Motor vehicle moving violations and parking tickets;
- External legal services, unless prior approval has been obtained from and documented by the Office of the General Counsel; and
- Any expenditure that may constitute a violation of the University’s Conflict of Interest Policy.

F. PROCEDURES

The Office of Accounts Payable is responsible for ensuring that all payments for the University are processed in accordance with a multitude of policies and procedures, including Internal Revenue requirements, state coding requirements, and prompt payment. Budget Unit Directors must abide by these policies and procedures, which are available on the [Office of Finance Accounts Payable website](#).

G. RESPONSIBLE OFFICER

Associate Vice President for Administration and Finance

H. RELATED INFORMATION

Internal Revenue Service Regulation on Gifts

[Commonwealth’s Department of Human Resource Management Employee Recognition for Length of State Service](#)

[University Policy 1060 – Institutional and Individual Members in Professional or Civic Organizations and Social Clubs](#)

[Department of Procurement Services Policies and Procedures](#)

