



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:

A. PURPOSE

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

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 30310](#)

B. 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.

C. SCOPE

This policy applies to all employees and employees of affiliated organizations designated as Budget Unit Directors. Employees include all staff, administrators, faculty, full- or part-time, and classified or non-classified persons who are paid by the University.

D. POLICY STATEMENT

Budget Unit Directors are responsible and accountable for all budgetary and fiscal matters pertaining to their respective department/college or unit. These responsibilities include determining the availability of funds prior to initiating any expenditure action, ensuring all funds are expended in compliance with Commonwealth and/or University policies, 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.

Certain expenditures that are funded with Commonwealth Educational and General Funds (Ledger 1) and Commonwealth Auxiliary Service Funds (Ledger 3), 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.

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

Allowable (Commonwealth E&G and Auxiliary Services: Ledger 1, 3 and 4 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, athletic events and cultural events with a clearly defined business purpose, such as fund raising or entertainment of guests of the University.

- Office plants when they aid in the professional appearance of the office or building and are located in common/public areas.
- Subscription to news journals, periodicals and magazines where such subscription is necessary to fulfill one's professional responsibility. (Note: they should be mailed to an ODU office).
- Funeral attendance travel expenses for one employee selected by the President or designee.

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.)
- Purchase of athletic tickets or tickets to cultural events to be used for employee recognition programs.
- Receptions, entertainment, alcoholic beverages, coffee, or office events with a clearly defined business purpose.
- Flowers for funerals, hospitalizations or University-sponsored events, such as dedications. Otherwise, the purchase of flowers requires a statement identifying the occasion, the recipient, and the business purpose and must be approved by the Vice President administratively responsible.
- Bottled water for outside workers or emergency provisions for employees if the water available in the building is hazardous to employees' health.

Disallowed For All Funds:

- Luxury accommodations while traveling.
- Excessive food/beverage service for special meetings or events.
- Any expenditure that does not benefit the University.
- Interest on personal credit cards.
- Flowers, balloons, and gifts (Christmas, "Thank You," birthday, baby shower, Secretary's Day, Bosses' Day, etc.) to University employees or outside individuals other than those given to a retiring employees or certain employees leaving the University's employment.
- 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.
- Furniture that will not be retained by the University.

- 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.
- Any expenditure that may constitute a violation of the University's Conflict of Interest Policy.

E. PROCEDURES

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](#).

F. RESPONSIBLE OFFICER

Associate Vice President for Administration and Finance

G. RELATED INFORMATION

N/A