

Policy: 3-6 Rev:
Date: September 30, 1971

Subject: **DEVELOPMENT FUND RECEIPTS AND EXPENDITURES**

I. PURPOSE

To establish procedures for the administration of development funds.

II. DEFINITION

Development Funds - Monies and other items of value given to the University of Utah and deposited to development fund accounts are gifts to the university, and as such, are subject to the restrictions established by the donor and the university.

III. POLICY

- A. Development fund accounts will not be established without the approval of the dean of the college designated to use the funds.
- B. The university cashier cannot accept money directly from the donor, or departments, in which development funds are used. Deposits of these funds are to be made through the development office. Expenditures of development funds are subject to the following guidelines, recognizing that expenditures will not be approved from development funds unless there is cash available in the fund at the time of the expenditure.
 1. Expenditures of funds for personal use or purposes other than those that benefit the university are prohibited.
 2. Expenditures for salaries and wages are limited as follows:
 - a. Salaries and wages may be paid from development funds only after evidence of income stability and upon approval of the dean. Employment of faculty on an overload or additional compensation basis is permitted from development funds.
 - b. Salaries and wages paid from development funds shall comply with the university salary and wage administration program.
 - c. Payment of university employee fringe benefits is authorized from these funds.
 3. Professional expenses relating to university employment are allowed by approval of appropriate deans or vice presidents. Examples of such allowable expenses are:
 - a. Memberships in professional societies.

- b. Professional books and journals.
 - c. Certain malpractice insurance where fee income benefits the university.
 - d. Civic club dues.
4. Travel expenses to professional meetings pertinent to university business may be reimbursed from these funds. All travel expenditures are subject to the Policy and Procedures 3-20, "Travel Policy." Recruitment expenses for new faculty is a further classification of travel expense. All expenses in this area must be documented fully, and are subject to the university travel policy.
 5. Limited entertainment expenditures are allowed. Receipts, persons entertained, and the purpose of entertainment must be outlined in the reimbursement request.
 6. Equipment and supplies necessary for educational and research programs can be purchased from these funds. Specific limitations are outlined in Section 4 of the Policy and Procedures Manual, Procurement and Auxiliary Services.
 7. It is recognized that the university benefits when employee morale is strengthened, therefore, staff parties paid for from development funds are allowed, but limited to one party per year, with expenditures limited to \$5 per staff member, or \$5 per family, if families are invited.
- C. The following documents are needed to establish a development fund account:
1. Awarding document or transmittal letter authorizing the university to use the funds.
 2. Instructions and guidelines on the use of the funds, including designation of persons appointed to authorize expenditures and maintain financial control of the fund.
- D. The following expenditures are not authorized from development accounts:
1. Personal expenditures such as:
 - a. Meals while working at regular job in regular location.
 - b. Personal travel or travel expenses for wives and family.
 - c. Payment of personal social club dues, such as Alta Club, University Club, Ft. Douglas Club, and Athletic Club. This does not prohibit payments for civic clubs dues, ie., Rotary, Kiwanis, Lions, Optimists, Junior Chamber of Commerce and Exchange Club.
 - d. Parking fees or fines of any kind, including university charges.
 - e. Acquisition of supplies, equipment, etc. for personal use.
 - f. In general, any expenditure that is personal in nature and/or does not benefit the

university.

2. More than one staff social per year is prohibited.
3. Additional compensation in the form of bonuses, commissions or supplemental salary payments, or compensation of faculty in excess of overload policies. Approved overtime and/or overload payments are permitted.
4. Travel expenses already reimbursed from another source.

E. Approval for expenditures:

1. Prior approval for all expenditures is required prior to fund disbursements. All expenditures are subject to audit and verification by university, state, or federal authorities.
2. No person is allowed to approve his own request for reimbursement. A principal investigator or department head must have the request approved by his immediate department chairman or dean.
3. All requests for salaries and wages must be approved by the dean.
4. Signature files will be established to control spending and only individuals listed will be authorized to sign requisitions and expenditure reimbursement requests.

F. Notification of Unprocessed Requisition and Appeal Procedures:

1. Request for purchase or expense reimbursement may be rejected for a number of reasons including:
 - a. Lack of sufficient funds.
 - b. Unauthorized or lack of authorized signature.
 - c. Request for nonprocurable item
2. Before a rejected request for purchase or expenditure reimbursement is returned to the department, the principal investigator for the account will be informed by telephone, explaining why the item cannot be processed.
3. Appeal procedure - All items will be purchased and paid for, regardless, if accompanied by a written approval signed by the vice president responsible for the department or the vice president for administrative services.