



UNIVERSITY OF
SOUTH CAROLINA

University Foundations

The University of South Carolina Foundations

Accounts Payable Policy Manual

Effective November 2024

Table of Contents

A. The University of South Carolina Foundations	5
0. Forms Appendix	7
B. General Policies	8
1. University Students & Prospective Students	8
1.1 Payments and Reimbursements to Students	8
1.2 Prospective Students	8
2. Cash Advances	9
3. Foreign Currency	10
4. Donations	11
5. New Employees	12
5.1 Interview Expenses	12
5.2 Relocation/Moving Expenses	12
C. Food and Meals	13
6. Food & Alcohol Expense	13
6.1 Meals at a Restaurant	14
6.2 Alcohol Expense	14
6.3 Refreshments/Snacks	15
6.4 Coffee Service	15
7. Staff Meetings, Parties/Receptions, & Catering Services	16
7.1 Staff Meetings / Departmental Planning	16
7.2 Parties/Receptions	16re
7.3 Retirement Parties	17
7.4 Retirement Gifts	17
7.5 Catering Services	17
7.6 Activities and Entertainment	17
D. Travel	18
8. Travel Expense	18
8.1 Mileage	18

8.2 Meals	18
8.3 Hotel	19
8.4 Airfare	19
8.5 Per Diem	20
8.6 International Visiting Scholars	20
8.7 Employee Spouse Travel	20
E. Contracts & Honoraria	23
9. Contractual Services	23
9.1 University Employees	23
9.2 Non-University Individuals	23
9.3 Businesses and Organizations	23
10. Honoraria	24
10.1 University Employees and Students	25
10.2 Non-University Individuals	25
10.3 Foreign Nationals	25
F. Financial and Related Services	26
11. Financial Aid, Awards, & Scholarships	26
11.1 University Faculty/Staff	26
11.2 University Students	26
11.3 Non-University Individuals	26
12. Salary Supplements	26
G. Dues & Fees	27
13. Professional Dues, License Fees, & Club Memberships	27
13.1 Professional Dues and License Fees	27
13.2 Club Memberships	27
14. Fines & Late Fees	28
H. Gifts, Prizes, & Tickets	29
15. Gifts	29
15.1 University Employees – Retirement	29
15.2 Specific Non-University Individuals	29
15.3 Gift Cards	29
15.4 Cash Gifts	29

15.5 Bulk Gift Purchases	30
15.6 Gifts to Public Officials	30
15.7 Gifts to Donors in Response to a Gift	30
15.8 USC Logoed Merchandise	30
15.9 Promotional Items with the University/Department Name or Logo	31
16. Flowers	32
16.1 Hospitalizations and Funerals	32
16.2 Donor Recognition/Appreciation	32
16.3 Event Flowers	32
16.4 Flowers for Employees	32
17. Framing & Plaques	33
17.1 Framing	33
17.2 Plaques	33
18. Prizes, Raffles, & Auctions	34
18.1 Prizes	34
18.2 Raffles and Door Prizes	34
18.3 Auctions	34
19. Tickets	35
19.1 University Events	35
19.2 Non-University Events	35
I. Tangible and Other Assets	36
20. Technology	36
20.1 University Technology	36
20.2 Cellular Phones and Plans	36
21. Books & Periodicals	39

A. The University of South Carolina Foundations

The University of South Carolina Educational Foundation and the University of South Carolina Development Foundation, or simply “University Foundations” or “Foundations”, are non-profit corporations that operate within the provisions of Sections 501(c)(3).

The mission of University Foundations is to support the University of South Carolina in all of its educational, research, instructional, scientific, literary, service, charitable, and outreach endeavors. University Foundations aids the University in achieving its mission as the State of South Carolina’s flagship institution of higher education.

Please note that University Foundations is a separate entity from the University of South Carolina; our staff and computer systems are completely separate.

University Foundations is committed to lawful and ethical behavior in all its activities and requires that its directors, employees, and consultants conduct themselves in a manner that complies with all applicable laws and policies.

University Foundations has a fiduciary responsibility to protect its resources and to ensure that expenditures comply with donor-imposed restrictions, do not jeopardize the financial status of the Foundations, and are prudent uses of the resources of the Foundations. University Foundations works directly with the Office of the Provost in determining the policies that apply to the appropriate expenditure of the Foundations’ funds by university employees. Any spending policy or procedure not specifically addressed herein shall follow the spending policy of the University of South Carolina.

University Foundations operates primarily on a reimbursement basis after expenses have been incurred. However, reimbursement cannot be made for taxable services rendered directly to USC when the original payment was made via cash, personal check, or instant electronic transfer (e.g. Venmo, Zelle, PayPal, etc.). Foundations may also pay a vendor directly, and this is recommended whenever possible. University departments may submit an electronic Request for Disbursement (RFD) to the Foundations, including attachments as may be necessary. All RFDs shall be properly approved before payment is considered. Reimbursement requests should be made in a timely manner, within 90 days from the expense. Requests to pay a vendor directly must include a signed IRS W-9 Form, unless one is already on file.

Electronic images of original statements, invoices, and receipts are required for reimbursement and should be submitted as attachments along with an RFD. Handwritten receipts/invoices must contain the vendor’s name, address, and signature. Please ensure any scans of small or faded print are legible before submitting. Email receipts should include headers.

Note that for departments not yet set up for PaperSave, a Drop Point Check Request Form should be sent to EDFNDAP@mailbox.sc.edu along with all electronic backup documentation.

Throughout this manual, all references and requirements for RFDs should be considered equally applicable to Drop Point Check Requests.

Processing Time:

RFDs which have been properly approved and electronically routed to the Foundations will be processed within 1-2 weeks upon receipt by the Foundations. *Please note that requests requiring additional approval (Payroll Office for Contractual Services and Honoraria, Provost's Office for any request over \$5,000.00, USC Legal for contracts, etc.) may take longer to process. Please see individual sections of the policies for requests that require additional approval.

*Holidays or technical difficulties may alter this schedule.

Additional Approvals:

All expenditures made to vendors other than the University over \$5,000.00 must be approved by the Office of the Provost, whether a reimbursement or a direct payment to a vendor. RFDs meeting these criteria are automatically routed to the Provost's Office for approval.

Any legally binding contract executed on behalf of the University must first be approved by the USC Legal Department. Please attach evidence of this approval to any associated RFD.

Please see individual sections of the policies for requests that require additional approval. All approvals must be obtained before University Foundations issues payment.

Electronic Funds Transfers (EFTs):

University Foundations issues EFTs for all payments. All EFT payments are accompanied by automatically generated email notifications (an email address must be provided for all vendors).

Colleges or departments using PaperSave should verify that the desired vendor is listed as "Electronic Funds Transfer". If "Check" is listed, then the requestor should contact the vendor and request EFT signup prior to submitting the RFD to Foundations. Our EFT signup form, through which a vendor can also submit a W9 if applicable, is at <https://sc.jotform.com/201184172727049>.

Reissuance of Payment:

If a previously issued physical check has been misplaced or destroyed, we will issue another payment, which should be via EFT, except in extenuating circumstances. Any related bank fee (stop payment, etc.) may be passed on to the Foundations project from which the check is being paid.

0. Forms Appendix

See uscfoundations.com or click the titles below

- A. [Request for Disbursement \(RFD\) Webform](#)
- B. [EFT Sign-Up \(ACH Authorization Agreement and Enrollment\) Webform](#)
- C. [New Vendor Set-Up Webform](#)
- D. [Drop Point Check Request Form \(ONLY for departments not on PaperSave for RFDs\)](#)
- E. [Advance Request Form](#)
- F. [IRS W-9 Form](#)
- G. [Meals/Business Cultivation Expense Form](#)
- H. [Gift Recipient Form](#)
- I. [Statement of Responsibility](#)
- J. [Cell Phone Stipend Request Form](#)
- K. [Request for Spouse Travel Form](#)
- L. [Authorized Signatory Change Form \(ONLY for departments not on PaperSave for RFDs\)](#)

B. General Policies

1. University Students & Prospective Students

Anyone enrolled in or auditing at least one class, including those at the undergraduate, graduate, and doctoral levels, at any of the USC campuses is considered a University student.

1.1 Payments and Reimbursements to Students

Foundations cannot pay students directly for awards, tuition, or fees, nor can it reimburse individuals who made such payments on behalf of a student. These payments must go through University Financial Aid to comply with Federal guidelines that the University must follow in tracking the support that a student receives. Foundations can then reimburse the University for these expenses.

1.2 Prospective Students

A prospective student is considered a University student for all intents and purposes within this Manual.

2. Cash Advances

Cash advances may be issued to University faculty and staff only. Advances will not be made to University students.

The individual requesting the advance must provide a valid reason for the advance, explain why routine reimbursement procedures are inadequate, and complete an Advance Request Form. The Advance Request Form should accompany the Request for Disbursement.

Advance funds are to be used for ordinary and necessary business expenses of the University. The individual requesting the advance is personally responsible for the entire amount of the advance. Advance funds that are not expended in accordance with Foundation policy must be reimbursed to the Foundations by the individual.

Each advance must be cleared by submitting original receipts and applicable forms to the Foundations. Any unused funds should be returned to the Foundations within five (5) business days.

Unused funds that are not returned, or disbursed funds that cannot be properly accounted for by a receipt documenting approved expense(s), will result in an issuance of an IRS Form 1099 to the individual who received the advance.

Additional advances will not be issued until any outstanding advance has been cleared.

The following expenses may not be paid with advance funds:

- 1) Any expense prohibited by Foundation policy
- 2) Refunds
- 3) Expenses that can be paid directly by Foundations
- 4) Per Diem

3. Foreign Currency

When claiming reimbursement for expenses that are in a foreign currency, the Request for Disbursement Form must be completed in U.S. Dollars (USD); if an invoice or bill does not list a USD amount along with the foreign currency amount, and the requestor cannot provide a specific USD receipt or a line-item bank / credit card statement (this is most preferred), then documentation of the rate of exchange must be provided along with a calculation of the USD amount. The recommended website for historical currency exchange rates is <http://finance.yahoo.com/currency-converter>. The user should calculate the specific USD amount based on the known foreign currency amount and the historical daily exchange rate; this calculation should be printed directly from the internet and included with other documentation.

*The rate of exchange must be calculated based on the **date the expense was charged**, not the date the RFD is completed.*

Example: On January 10, Professor Jones submits a request to be reimbursed for a University-related four-night stay in London which began January 1. His hotel bill shows the four nights' worth of charges individually, along with his payment made at check-out on January 5. All of the amounts on the bill are listed in British Pounds. For purposes of reimbursement for this hotel stay, Professor Jones should use only the historical exchange rate from January 5, and he should apply it to the full amount of the hotel bill. He should not calculate the rate for each of the days from January 1 through January 4, and he should not use the rate from January 10. An alternative, provided that he did not pay in cash, would be for the Professor to submit his U.S. Dollar bank or credit card statement clearly showing and identifying the line-item charge.

Foundations cannot directly pay a vendor if the invoicing or payment options do not include a specific U.S. Dollar amount that would be acceptable to the vendor. In scenarios where only foreign currency amounts appear on documentation, Foundations will reimburse individuals based upon the following, in this order:

- 1.) Specific U.S. Dollar receipts, if they are given by the vendor, or
- 2.) Line-item U.S. Dollar bank / credit card statements showing the applicable transactions, or
- 3.) In cases where payments were made in foreign currency, properly documented receipts and historical exchange rates per the requirements above.

4. Donations

In general, gifts to charitable organizations (including contributions as memorials) are not reimbursable.

The purchase of tickets to a charity's fundraising dinner/gala is permissible if it is related to the employee's University responsibilities. In this scenario, the representative/employee is permitted to bring a spouse or guest.

5. New Employees

5.1 Interview Expenses

Foundations can reimburse a candidate for University employment for interview-related expenses. The reimbursement can include the cost of accompanying immediate family members (spouse and/or children). Reimbursement cannot exceed actual expenses incurred.

These payments are generally not taxable.

Examples of interview expenses: Airfare, hotel, car rental, mileage, food, per diem, etc.

5.2 Relocation/Moving Expenses

All relocation expenses must be paid through the University, to comply with University Policy FINA 1.08. This University procedure applies to all moving and relocation, regardless of the source of funds used.

Foundations can reimburse University departmental funds for moving and relocation expenses after the payments are processed through the University.

C. Food and Meals

6. Food & Alcohol Expense

All meals and refreshments should be modest in value and should not take precedence over the educational or business event. Business meals with non-University individuals should have a ratio of no more than four University employees to one non-University individual, except when the meal is for the purposes of a search committee to meet with an employment candidate.

Requests for reimbursement of meals/business cultivation expenses must include the time, date, and location of the event, the business purpose of the event, and the name and title (or other designation sufficient to establish the business relationship) of the attendee(s). All meals must include a completed Foundation Meals/Business Cultivation Expense Form.

Note: *The University's standards for meal reimbursement from state funds are found in University Policy BUSA 7.05 and may differ from the Foundations' policies.*

Food purchases for employee recognition (e.g. birthday, promotion, goodwill, etc.) **will not** be reimbursed. For retirement, see *section 7.3 Retirement Parties*.

The following charts show limits up to which Foundations will reimburse meals in given situations. Each situation is addressed within *Sections 6 and 7* of this Manual. **Note that while the dollar amounts are pre-tax/gratuity limits, Foundations will also reimburse for valid tax/gratuity.**

Meals (restaurants, catering, or other sit-down type meals):

	Business, Departmental, and Donor Cultivation Meetings	Meals While on Travel (Total limits, including Per Diem portions, if any)	Alcoholic Drinks
Breakfast	\$25 per person, <u>pre-tax and gratuity</u>	\$25 per person, <u>pre-tax and gratuity</u>	0 per person
Lunch	\$50 per person, <u>pre-tax and gratuity</u>	\$50 per person, <u>pre-tax and gratuity</u>	1 per person
Dinner	\$100 per person, <u>pre-tax and gratuity</u>	\$100 per person, <u>pre-tax and gratuity</u>	2 per person

Receptions/Refreshments (self-brought refreshments, snacks, or other non-sit-down type meals):

	Meetings/Parties/Receptions (Either Business or Morale)	Retirement/Departure Functions
Attendees are Faculty/Staff/Students	\$50 per person, with up to \$15 of alcohol per non-student	\$50 per person, with up to \$15 of alcohol per non-student
Guests are Alumni/Donors	\$60 per person, with up to \$15 of alcohol per non-student	(N/A)

6.1 Meals at a Restaurant

The maximum reimbursement levels for a meal at a restaurant, including alcohol, are:

Breakfast: \$25.00 per person per meal, before tax and gratuity
No alcohol

Lunch: \$50.00 per person per meal, before tax and gratuity
This includes any alcohol, up to 1 drink per person

Dinner: \$100.00 per person per meal, before tax and gratuity
This includes any alcohol, up to 2 drinks per person

Meal expenses for the spouse of a University employee may be reimbursed only if the spouse of a University guest also attends.

6.2 Alcohol Expense

Purchase of alcohol for or by students is prohibited. This applies to both undergraduate and graduate students. Please note that if alcohol is served at an event where students are present, a memo stating that no alcohol was served to students is required and must be sent with the reimbursement request.

Reimbursement for alcohol at sit-down style meals is based on the **number of drinks per person**. For purposes of calculation, a single glass or bottle or can of beer, a single shot of hard liquor, a single mixed drink, and a single glass of wine as they appear on an itemized receipt are all considered equivalent to one (1) alcoholic drink, while a standard 750ml bottle of wine is considered to contain four (4) alcoholic drinks.

Alcoholic drink consumption at sit-down style meals should not exceed:

Lunch: 1 alcoholic drink per person per meal

Dinner: 2 alcoholic drinks per person per meal

At events such as receptions, the maximum allowable is determined by **cost per person**. Alcoholic drink costs at receptions should not exceed:

Faculty/Staff/Retirement Events: \$15 per person, before tax and gratuity

Alumni/Donor/Guest Events: \$15 per person, before tax and gratuity (same as fac/staff)

Any costs for alcohol are part of, not separate from, total meal and reception expense limits as defined within these policies.

The purchase of alcohol for more than one event requires an additional approval which must come from a higher level within the department/college than the RFD approver.

6.3 Refreshments/Snacks

For an approved non-catered business meal or function where refreshments and/or snacks are served in lieu of restaurant-style meals, Foundations will reimburse the related expenses provided that they are reasonable.

6.4 Coffee Service

Departmental coffee services (reasonably priced) can be reimbursed with Foundation funds, provided that the service is for University guests and departmental meetings.

7. Staff Meetings, Parties/Receptions, & Catering Services

7.1 Staff Meetings / Departmental Planning

Events that are held for a valid business purpose (e.g. staff meetings, departmental planning sessions, etc.) are not included in per-year or per-semester limits. Please note that there is a separate policy concerning retirement/departure functions. Maximum reimbursement rates are the same as those listed in the tables shown in *Section 6. Food & Alcohol Expense*: \$50.00 per person for sit-down lunches, including up to 1 alcoholic drink per person, and \$100.00 per person for sit-down dinners, including up to 2 alcoholic drinks per person; \$50.00 per person for reception-style meals (e.g. heavy hors d'oeuvres) including up to \$15 per person of alcohol. Note that while these limits are calculated pre-tax/gratuity, Foundations will reimburse tax/gratuity.

7.2 Parties/Receptions

Parties/receptions held solely to promote faculty/staff social interaction and/or morale will be limited to a combination of one event per fiscal year per college **and** one event per fiscal year per department. Employees may attend both a college-wide morale event and also their own department-specific morale event. These annual limits include events such as holiday parties and departmental picnics.

1. Events involving primarily University faculty, staff, and/or students:
Maximum reimbursement rate of \$50.00 per person, before tax and gratuity
2. Events aimed primarily at outside constituents such as alumni and prospective donors:
Maximum reimbursement rate of \$60.00 per person, before tax and gratuity

Note that while these limits are calculated pre-tax/gratuity, Foundations will reimburse tax/gratuity.

Charges specifically associated with room rental, silverware/seating/linen usage, set-up/tear-down, attendants/servers, etc. will be treated separately and do not have to be factored into the food costs noted above, so long as they are reasonable.

The above-noted limits may be exceeded if funds are collected from the attendees to cover the overage and the full collection becomes deposited with the applicable Foundations project. In this case, indicate on the Request for Disbursement Form that additional funds have been collected. *Please note that any funds collected must follow A/P Policies when being disbursed.*

All payment requests for holiday parties/receptions should include a Foundations Meals/Business Cultivation Expense Form. The approximate number and classification of attendees must be documented on the form (e.g. alumni, donors, public, faculty, staff, students, etc.).

Note: Foundations will not pay or reimburse for entertainment expenses at staff events or departmental planning meetings. *See section 7.6*

7.3 Retirement Parties

Retirement and/or departure from the University functions for individuals with significant years of service (10+ years), do not count towards the limit on parties/receptions to promote faculty/staff social interaction and morale. However, they have their own limit of one event per semester, per college (limit of two functions per fiscal year). The College of Arts & Sciences will be allowed two such events per semester due to its size (limit of four functions per fiscal year). Exceptions to the number of events per semester will only be considered for retiring Deans and Executive Administrators.

Note: *Foundations will not pay for individual departure meals.*

Events involving primarily USC faculty, staff, and/or students may be reimbursed up to a maximum of \$50.00 per person. The per person limit may be exceeded only if funds are collected from attendees to cover the overage and the full collection becomes deposited with the applicable Foundations project. In this case, indicate on the Request for Disbursement that additional funds have been collected.

Note that while these limits are calculated pre-tax/gratuity, Foundations will reimburse tax/gratuity.

7.4 Retirement Gifts

See gift policy sections H.15 and H.15.1

7.5 Catering Services

An IRS W-9 Form must be attached to the Request for Disbursement for all new caterers. The IRS W-9 Form can also be found on the IRS website www.irs.gov.

7.6 Activities and Entertainment

Foundations will not pay or reimburse for activities for which the purpose is strictly to entertain. Examples of such would be ceramics/art/painting, athletic or other venue admission tickets, hiring of contracted entertainers, etc. This applies to staff meetings, departmental planning events, retreats, or a morale event.

Entertainment expenses which are appropriate for donor cultivation or student events, such as music performances, may be reimbursed.

D. Travel

8. Travel Expense

A traveler on official business will exercise the same care in incurring expenses and accomplishing an assignment that a prudent person would exercise if traveling on personal business. Excess costs, circuitous routes, delays, or luxury accommodations unnecessary or unjustified in the performance of an assignment are not considered exercising prudence.

Payment of ordinary and necessary travel and meal/business cultivation expense shall be considered by Foundations if the stated purpose of such expenditure is authorized business of the University and/or Foundations. Travel requests must include the benefit to the University as well as the time, place, and dates of the departure and return.

Travel expense reimbursement requests submitted to Foundations while in a University travel status must include a copy of the applicable Travel Authorization (TA), provided that one was submitted to the University for any expense category. If a TA was not filed through the University, but the requestor filled one out specifically to assist with calculating expenses, please clarify as such within the Request for Disbursement in order to avoid confusion.

Fines for moving or non-moving violations (e.g. parking tickets) **will not** be reimbursed.

8.1 Mileage

Foundations uses the mileage rate as set forth by the Internal Revenue Service. A lower reimbursement level may be set for specific colleges or departments as deemed necessary by the Dean or Department Chair.

Foundations will not reimburse for the use of a personal car within ten (10) miles of an employee's official headquarters and/or place of residence.

Foundations will not pay deductibles associated with insurance claims as a result of the use of a privately owned vehicle.

8.2 Meals

Meal expenses incurred while in a University travel status are reimbursed based on the time of departure and the time of return. Please include these times with the Request for Disbursement. Foundations cannot reimburse for meals on one-day travel unless the employee is accompanied by a non-University business guest at the meal.

If more than one University employee was present at a meal, then a copy of each employee's TA (for those employees who submitted one to the University) must be attached. Audit requirements stipulate verification of per diem claimed versus Foundation meals claimed.

Maximum reimbursement levels for meals (including alcohol) while in University travel status are:

- Lunch: \$50.00 per person per meal, before tax and gratuity (this includes the 1 drink per person alcohol limit)
- Dinner: \$100.00 per person per meal, before tax and gratuity (this includes the 2 drinks per person alcohol limit)

Note that while these limits are calculated pre-tax/gratuity, Foundations will reimburse tax/gratuity.

Business meals with non-University individuals should have a ratio of no more than four University employees to one non-University individual.

Meal expenses for the spouse of a University employee may be reimbursed only if the spouse of a University guest also attends.

Note: *The University's standards for meal reimbursement from state funds are found in University Policy BUSA 7.05 and may differ from the Foundations' policies.*

8.3 Hotel

No reimbursement for overnight accommodations will be made within fifty (50) miles of the employee's official headquarters and/or residence.

Note: *Foundations uses the same lodging rate as the University. Lodging costs cannot exceed the University rate, found in University Policy FINA 1.00.*

8.4 Airfare

Travel by commercial airlines will be in coach or economy class.

An upgrade to business class is allowed only if:

- 1) The flight path is direct and clearly non-circuitous, **AND**
- 2) Any one or more of the following is true:
 - a.** Travel is intercontinental, where Central America and the Caribbean are considered part of North America, whether via single or multiple flight legs, **OR**
 - b.** Travel is to/from Alaska or Hawaii, whether via single or multiple flight legs, **OR**
 - c.** A single flight leg is at least eight (8) hours in duration for any destination.

Exceptions to this policy must be requested in advance and will be considered only in unique or medical circumstances.

8.5 Per Diem

Foundations will reimburse per diem at the rates set by the University. These rates are currently \$35.00 per day for in-state meals and \$50.00 per day for domestic out-of-state meals, each broken down by the type of meal (see chart below). The time limitations for breakfast will not apply for overnight trips when returning early in the morning.

Non-Travel Day: Time of Meal	Meal is Considered	In-State Per Diem	Domestic Out-of-State Per Diem
Before 11:00 AM	Breakfast	\$8.00	\$10.00
Between 11:00 AM and 5:15 PM	Lunch	\$10.00	\$15.00
After 5:15 PM	Dinner	\$17.00	\$25.00

Travel Day: First Day of Trip		Travel Day: Last Day of Trip	
If you leave before:	You may be reimbursed:	If you return after:	You may be reimbursed:
6:30 AM	Full Day	11:00 AM	Breakfast Only
11:00 AM	Lunch & Dinner	1:30 PM	Breakfast & Lunch
5:15 PM	Dinner Only	8:30 PM	Full Day

Note there is NO tax/gratuity when reimbursing for per diems.

Per Diem for one-day travel must be paid through the University. Foundation funds may then be used to reimburse departmental funds after-the-fact. ***Travel advances for per diem are prohibited.***

8.6 International Visiting Scholars

Travel expenses related to international visiting scholars sponsored by USC must be paid through the University after review by the University's Office for International Scholars. Foundations can reimburse University departmental funds for expenses related to foreign nationals after the payments are processed through the University.

8.7 Employee Spouse Travel

Spouses of faculty and staff are occasionally asked to travel on University business. The travel of a spouse may be to assist with fundraising or to represent the University at some function related to State of South Carolina business. The Request for Spouse Travel form is intended to document the appropriateness of spouse travel in accordance with Foundation, University, and Internal Revenue Service guidelines.

Spouse travel reimbursement by Foundations requires approval by a Dean or Officer, or their authorized representative (for Officer travel, approval is given by the President, EVP, or Provost) on the ***Request for Spouse Travel Form***. While preapproval is not required, obtaining it ensures the traveler knows the reimbursement status of spouse travel expenses before the travel takes place.

The ***Request for Spouse Travel Form*** should be sent to the Foundations' Accounts Payable department prior to the date of travel for taxability determination. Spouse travel will be approved for non-taxable treatment only when the presence of the spouse on a business trip serves a bona fide business purpose. Otherwise, travel expenses for a spouse, even if approved for reimbursement, must be treated as compensation, subject to required payroll tax withholding, and reported on the employee's IRS Form W-2.

WITHOUT PREAPPROVAL, THE TRAVELER ACCEPTS THE RISK OF NOT BEING REIMBURSED FOR SPOUSAL TRAVEL.

Spouse Guidelines:

The following guidelines will be used by Foundations in determining whether reimbursement for a spouse's expenses should be taxable:

Considering an eight-hour workday to be standard, the spouse would need to demonstrate more than five hours of business-related activity for the vast majority of travel days to achieve non-taxable status. Any activity performed on behalf of the University should be documented as well as other events or entertainment occasions (e.g., dinners, receptions, etc.) for which the employee and spouse are acting in an official capacity on behalf of the University.

Foundations has interpreted "business purpose" strictly while understanding the social demands imposed upon University employees due to the fundraising requirements of the University. While meeting with donors or potential donors at dinners, receptions, or out-of-town conferences, spouses of the donors or potential donors are often in attendance. The spouses of donors are deeply involved in the decision to donate, and if attendance by a University spouse creates an atmosphere conducive to the production of a gift, this would constitute a "business purpose."

Business Purpose - When a spouse's attendance at a professional function or meeting with current or potential donors serves a legitimate business purpose, the spouse's travel expenses can be reimbursed without tax impact. A detailed itinerary must be submitted outlining the "who, what, when, where, and why" of the spouse's activities each day on the trip.

-Spouses are expected to attend and participate in business and social sessions in accordance with planned programs.

-Spouses are expected to assist University officers in developing and renewing personal contacts.

-Spouses are expected to entertain business guests and their spouses. The presence of spouses will enhance the image of the University and its officers.

Incidental Duties - When a spouse attends a meeting, university sporting event, or conference as a companion, and has no significant role or performs only incidental duties, the spouse's attendance does not constitute a business purpose.

What the IRS says in Publication 463 – Travel:

“Example. Jerry drives to Chicago on business and takes his wife, Linda, with him. Linda is not Jerry's employee. Linda occasionally types notes, performs similar services, and accompanies Jerry to luncheons and dinners. The performance of these services does not establish that her presence on the trip is necessary to the conduct of Jerry's business. Her expenses are not deductible.”

The Foundations' Interpretation:

Linda is not performing a legitimate business purpose and her expenses should not be reimbursed, and, if we do reimburse, we must include the amount in Jerry's taxable income on his W-2 at year-end.

What the IRS says in Publication 463 – Travel:

“Lavish or extravagant. You cannot deduct expenses or meals that are lavish or extravagant. An expense is not considered lavish or extravagant if it is reasonable based on the facts and circumstances. Expenses will not be disallowed merely because they are more than a fixed dollar amount or take place at deluxe restaurants, hotels, nightclubs or resorts.”

The Foundations' Interpretation:

We are stewards of gifts from our donors, and we will not reimburse for lavish or extravagant spending. Any reimbursement for entertainment will be evaluated in the context of a beneficial return to Foundations or the University. Unnecessary spousal travel will not be reimbursed.

E. Contracts & Honoraria

9. Contractual Services

A Contractual Service is defined as non-honorarium work performed by an independent contractor, whether an individual or a business, requiring specialized knowledge, experience, expertise, or similar capabilities whereby the service rendered does not consist primarily of acquisition of equipment or materials.

Reimbursement cannot be made for taxable services rendered directly to USC when the original payment was made via cash, personal check, or instant electronic transfer (e.g. Venmo, Zelle, PayPal, etc.). A credit or debit card must be used, since those payments are reported to the IRS. Foundations may also pay a vendor directly, and this is recommended whenever possible.

9.1 University Employees

Contractual service payments **cannot be made to University employees**. Per IRS regulations, contractual payments cannot be made directly by Foundations if there is an employee/employer relationship. Payments of this nature must be made through the University in order for the applicable tax to be withheld. Foundations can reimburse departmental funds after-the-fact.

9.2 Non-University Individuals

The following forms should be completed:

- 1) A completed and signed IRS W-9 Form must be filled out for each person providing the contractual services. Please include a permanent residence address on the IRS W-9 Form for payments to individuals.
- 2) The Request for Disbursement should be sent to Foundations. Foundations will verify, through Payroll, that the individual was not a USC employee at the time when the service was performed.

9.3 Businesses and Organizations

The following forms should be completed:

- 1) A completed and signed IRS W-9 Form must be filled out for each business or organization providing the contractual services.
- 2) The Request for Disbursement should be sent to Foundations. For Sole Proprietorships, Foundations will verify, through Payroll, that the individual was not a USC employee at the time when the service was performed.

The IRS W-9 Form can also be found on the IRS website www.irs.gov. Foundations will issue an IRS Form 1099 as applicable.

9.4 Foreign Businesses

In order for Foundations to process direct payment to a foreign business, either the service must have been physically performed entirely outside the United States, or, if it was a virtual/remote service, then it must have been delivered by individuals who were outside the United States at the time.

However, any travel to U.S. soil by a foreign individual service provider, or by any representative of a foreign business, in relation to the service rendered could result in the University having to make direct payment to the provider and/or business. Foundations can then reimburse University departmental funds

Foundations may also require a completed IRS Form W-8 BEN.

10. Honoraria

An honorarium is a payment given for professional services that are rendered nominally without charge. A completed W-9 must be on file with the Foundations office for all honoraria payments.

Foundations shall provide an IRS Form 1099 as applicable.

10.1 University Employees and Students

Honoraria *cannot be paid to University employees or students.*

10.2 Non-University Individuals

The Request for Disbursement should be sent to Foundations. Foundations will verify, through Payroll, that the individual was not a USC employee at the time when the service was performed.

10.3 Foreign Nationals

10.3.1 Inside the United States

Honoraria for services physically performed within the United States by foreign nationals must be paid through the University.

Similarly, travel expenses and other reimbursements to foreign nationals visiting the United States must be paid through the University.

Foundations can reimburse University departmental funds for expenses related to foreign nationals after the payments are processed through the University.

10.3.2 Outside the United States

In order for Foundations to process direct payment of honoraria to a foreign national, either the service must have been physically performed entirely outside the United States, or, if it was a virtual/remote service, then it must have been delivered by individuals who were outside the United States at the time.

Travel to U.S. soil by an individual due to receive an honorarium could result in the University having to make direct payment, including travel reimbursement. Foundations can then reimburse University departmental funds.

Foundations may also require a completed IRS Form W-8 BEN.

F. Financial and Related Services

11. Financial Aid, Awards, & Scholarships

Cash awards paid directly from the Foundations are prohibited.

11.1 University Faculty/Staff

All faculty/staff awards will be processed through the University in accordance with its policies and procedures. Foundations **cannot pay a University employee directly for an award**. Foundations can reimburse the department's University account for these expenses. To receive reimbursement, submit a Request for Disbursement payable to "Financial Services" (the formal payee name of University Accounting) with a copy of the University General Ledger Activity Report attached.

11.2 University Students

11.2.1 Financial Aid

All University student awards must be processed through the University's Office of Student Financial Aid. Foundations **cannot pay a University student directly for an award**, nor can it reimburse an individual who made such payments on behalf of a student, due to Federal regulations that the University and Foundations must follow. Awards and scholarships paid directly to a student are strictly prohibited.

11.2.2 Scholarships

Foundations will reimburse the University "S" funds for scholarships and fellowships as approved by the departments. Scholarships are billed to departmental "S" funds.

11.3 Non-University Individuals

Employment status must be verified by the Payroll Office for all non-University individuals receiving awards or other non-reimbursement compensation.

A completed and signed IRS W-9 Form must be attached to the Request for Disbursement. The IRS W-9 Form can also be found on the IRS website www.irs.gov.

Foundations will issue an IRS Form 1099 as applicable.

12. Salary Supplements

Foundations will reimburse the University for salary supplements, Chair payments, and professorship supplements, including fringe benefits, as approved by the Office of the Provost or the President.

G. Dues & Fees

13. Professional Dues, License Fees, & Club Memberships

13.1 Professional Dues and License Fees

Professional dues may be paid by Foundations if the membership is reasonable and justifiable and provides a benefit to the University. The Foundation may pay individual license fees when a license enhances a University position (e.g. South Carolina Bar Association license fees, Certified Public Accountant license fees, etc.) Additional/Optional contributions **may not** be paid by Foundations. Please indicate the benefit to the University on the Request for Disbursement.

Note: If a copy of the form/document must accompany the payment, please indicate as such.

13.2 Club Memberships

Club Memberships include memberships to Country Clubs, Dining Clubs, etc. The benefit to the University for having the membership must be documented in order for the dues to be reimbursed.

Example of benefit to the University: If the club has a reciprocal agreement with other clubs in the nation, hotel stays may be at a significant discount to the member, thereby saving the University money for the repeated use of such hotel stays by an employee who often requests reimbursement for legitimate business travel.

Club Membership dues may become fully taxable to the employee. Proof should be provided that 100% of the individual's usage of club privileges has been for business purposes. Even one instance of using club privileges during a year for personal reasons (e.g. personal lunch) may render any or all membership dues payments/reimbursements as fully taxable.

14. Fines & Late Fees

Fines for moving or non-moving violations (e.g. parking tickets) **will not** be reimbursed.

Late fees and rebilling charges **will not** be paid with Foundation funds.

H. Gifts, Prizes, & Tickets

15. Gifts

All gifts are limited to \$25.00 (pre-tax) as per IRS regulations, except as noted in sections *15.7 Gifts to Donors in Response to a Gift* and *15.8 USC Logoed Merchandise*. Gifts to University employees are prohibited except in circumstances of retirement or departure from the University after significant years of service (see *15.1 University Employees - Retirement*). Similarly, gifts of recognition (i.e. “thank-yous”) are also prohibited.

The maximum reimbursement level for a business gift to an individual for purposes of special recognition is \$25.00 (IRS Publication 463), except in cases where the gift is made in direct response to a donation made to the University (see *15.7 Gifts to Donors in Response to a Gift*) or in cases where the gift item is considered USC Logoed Merchandise (see *15.8 USC Logoed Merchandise*). IRS policy dictates that a business gift to an individual’s spouse is considered an indirect gift to the individual and therefore is not counted separately when applying the \$25.00 limit.

Incidental costs, such as engraving, mailing, or gift wrapping, and tax are not included in the \$25.00 limit. A cost is incidental only if it does not add substantial value to the gift.

15.1 University Employees – Retirement

Gifts of up to \$50 are allowed for retirement or for departure from the University after significant years of service (10+ years). Alternatively, personalized/engraved plaques may be given (see *17. Framing & Plaques*). Gifts of artwork, prints, or decorative documents over the \$50.00 limit, whether personalized or not, are prohibited. Please include the individual’s name, reason for the gift, and years of service with the Request for Disbursement.

15.2 Specific Non-University Individuals

For gifts to non-USC individuals whose identities are known (i.e. not bulk gift purchases), please include the name and title (or other designation sufficient to establish a business relationship) of the recipient(s) with the Request for Disbursement.

15.3 Gift Cards as Gifts

Store-value gift cards are considered cash-equivalent by the IRS and thus are prohibited as gifts or in lieu of gift baskets.

15.4 Cash Gifts

Cash gifts are prohibited.

15.5 Bulk Gift Purchases

For bulk gift purchases, recipient information must be available to Foundations when needed. One of the following options must be selected for and accompany **each** Request for Disbursement:

1. Complete the Gift Recipient Form

Provide Foundations with a completed Gift Recipient Form for **each** bulk purchase on a **quarterly** basis. Unless a completed Statement of Responsibility is included with a RFD, Foundations will expect to receive a Gift Recipient Form quarterly. Foundations may request a copy of these forms at any time.

2. Complete the Statement of Responsibility

Provide Foundations with a completed Statement of Responsibility for **each** bulk purchase. In doing so, each College agrees to accept responsibility for the collection and maintenance of recipient data for a specific bulk purchase. Please note that only the Dean of the College is authorized to sign the Statement of Responsibility. Foundations may request a copy of this data at any time.

15.6 Gifts to Public Officials

Any gift intended for or given to a public official, whether elected or appointed, at any level, must be accompanied by a clearly identified value so that the official may properly comply with his or her reporting requirements. This value should be included within RFD documentation.

It is the responsibility of the department giving the gift to report this value and any other necessary information to the official.

15.7 Gifts to Donors in Response to a Gift

A gift to a donor in direct response to a donation made to the University is limited to the lesser of \$132.00 (as of January 1, 2024; this is indexed annually by the IRS and may change) or 2% of the gift. IRS policy dictates that a gift to an individual's spouse is considered an indirect gift to the individual and therefore is not counted separately when applying these limits. Incidental costs and tax are not included in the dollar or 2% limit.

It is the responsibility of the department giving the gift to report these gifts to USC Gift Processing so that cumulative limits of responsive gifts are not exceeded.

15.8 USC Logoed Merchandise

In lieu of a traditional gift, merchandise bearing the University/department name or logo and costing more than \$13.20 may be purchased up to a \$132.00 limit per person before tax, rather than the normal \$25.00 limit (or the \$50.00 limit per *15.1 University Employees – Retirement*). Recipient

information and rationale for such items must still be provided. Examples include clothing, blankets, drinkware, etc. Incidental costs and tax are not included in the \$132.00 limit (indexed annually).

15.9 Promotional Items with the University/Department Name or Logo

Items that cost \$13.20 or less (as of January 1, 2024; this is indexed annually by the IRS and may change) and bear the University/department name or logo are not considered gifts for the purposes of the \$25.00 limit and are not subject to recipient tracking. Examples include pens, bookmarks, key chains, etc. Incidental costs and tax are not included in the \$13.20 limit.

16. Flowers

The reimbursement levels for flowers, or food baskets in lieu of flowers, are as follows:

16.1 Hospitalizations and Funerals

Foundations will reimburse up to \$150.00, plus tax and delivery, for flowers sent to employees of the University and their immediate family members for hospitalizations and funerals. Immediate family, for purposes of flowers, is defined as the parent, spouse, parent of spouse, child, spouse of child, brother, spouse of brother, sister, spouse of sister, grandparent, great-grandparent, grandchild, great-grandchild, or legal guardian of either the employee or employee's spouse.

16.2 Donor Recognition/Appreciation

Foundations will reimburse up to \$150.00, plus tax and delivery, for flowers sent to a donor.

16.3 Food Baskets in Lieu of Flowers

Food baskets given in lieu of flowers should be limited to perishable food items, plus packaging elements. The same \$150.00 limit, plus tax and delivery, applies. Gift cards are **prohibited** in these cases, even if they are to restaurants, grocery stores, delivery services, etc.

16.4 Event Flowers

Flowers for events such as banquets, ceremonies, and graduation may exceed \$150.00 but must still be reasonable in cost for the event.

16.5 Flowers for Employees

Flowers for employee recognition are prohibited.

17. Framing & Plaques

17.1 Framing

17.1.1 Certificates

Framing of personalized certificates for the purpose of special recognition may be reimbursed.

17.1.2 Artwork, Prints, Decorative Documents, etc.

Framing of artwork, prints, decorative documents, or similar items for use in departmental offices is permitted. These prints become property of the University.

Framing of such items to give to employees or donors, whether personalized or not, is prohibited, as it would exceed the Foundations' gift limit (see 15. *Gifts*).

17.2 Plaques

Personalized/Engraved plaques or similar items purchased for the purpose of special recognition may be reimbursed up to a maximum of \$200.00. Incidental costs and tax are not included in the \$200.00 limit.

18. Prizes, Raffles, & Auctions

18.1 Prizes

Foundations will reimburse for prizes if the following requirements are met:

1. There must be written rules and eligibility requirements for how the winner of a contest will be determined. Even in the presence of otherwise enforced eligibility requirements, the determination of a winner cannot be made by raffle (see *18.2 Raffles and Door Prizes*).
2. The name and address of all prize recipients must be furnished.
3. Cash or gift card prizes of all amounts require a signature or email from the recipient confirming transference of the prize; for e-gift cards, an email receipt from the buyer which shows both the sender's and recipient's information may be used instead.
4. Prizes of \$600.00 or more to a single recipient, whether cash or a tangible item or a mix, and whether at once or in aggregate during a calendar year, are taxable to that recipient. An IRS W-9 form must be obtained from the prize winner and accompany the Request for Disbursement. Foundations will issue an IRS Form 1099 as applicable.

18.2 Raffles and Door Prizes

Although the South Carolina State Legislature now allows certain nonprofit organizations to conduct raffles, University Foundations does not participate, and these types of expenses will not be reimbursed.

The only instance for which Foundations will reimburse for door prizes is if the event is open to everyone and there is absolutely no payment received from the participants. This includes payment for a raffle ticket, a meal, entry to the event at which the random drawing is being held, or anything else that could be so construed. Door prizes are limited to \$150.00, and Foundations needs to know the name and address of each recipient.

18.3 Auctions

Items to be auctioned off for otherwise approved purposes may be purchased with or reimbursed from Foundations' funds.

19. Tickets

Athletic, theater, and other tickets purchased using Foundations' funds are to be used only for donor cultivation and/or student recruitment.

A list of attendees, including both the name and title (or other designation sufficient to establish the business relationship) of each attendee, should be provided to the Office of the Provost and to Foundations within **five (5) business days**.

Attendance at any event by any individual of high school age, or any other potentially prospective student, should be reviewed by USC Athletics Office of Compliance Services prior to the event.

19.1 University Events

Foundations will reimburse up to \$100.00 per ticket (excluding taxes and fees) for prospective donors or prospective students as invited guests of the University and their immediate family members, excluding children and friends of USC employees, for official University events. These events may occur at a USC facility or anywhere else (e.g. a 'road' athletic event, or a traveling School of Music student performance). USC employees are not required to attend these events with the invited guests. If a USC employee does attend, then a spouse may accompany the USC employee if the spouse of a prospective donor or University guest also attends.

A non-University event which is held at a USC facility (e.g. a concert at Colonial Life Arena) is NOT considered an official University event.

19.2 Non-University Events

Foundations will reimburse up to \$50.00 per ticket (excluding taxes and fees) for prospective donors or prospective students as invited guests of the University and their immediate family members, excluding children and friends of USC employees, for non-University events. These events may occur at a USC facility or anywhere else (e.g. a concert at Colonial Life Arena, or a professional sporting event in a donor's home metropolitan area). USC employees **are required** to attend these events with the invited guests. A spouse may accompany a USC employee if the spouse of a prospective donor or University guest also attends.

I. Tangible and Other Assets

20. Technology

20.1 University Technology

Technological equipment, such as computers, peripherals, accessories, hardware, software, or other similar devices (e.g. tablets, iPads, or other innovations) that are purchased with Foundations' funds become the property of the University. The department initiating the purchase is responsible for properly safeguarding all assets purchased with Foundations' funds. Assets purchased with Foundations' funds are not the property of any individual without specific written approval of the Foundations' Executive Director.

Warranty cost can be included in the cost of the technological item if purchased together.

Any assets or capital improvements costing over \$5,000.00 will be reported to USC Controller's Office to be placed on its inventory list and capitalized.

20.2 Cellular Phones and Plans

Foundations may reimburse or issue stipends for cellular phones and cellular plans to University employees. Per IRS regulations, employee usage of employer-provided cell phones for reasons related to the employer's trade or business as a working condition fringe benefit is excludable from the employee's income. To qualify, the employer must require employees to maintain cell phones either 1) so the employer can contact the employee at all times for work-related emergencies; or 2) so that the employee is available to speak with clients at times when the employee is away from the office or times outside the employee's normal work schedule.

Foundations will pay for University employees' cellular plans either on a reimbursement or a monthly stipend basis.

By submitting a Stipend Request Form, the employee's department assumes the responsibility to notify Foundations as soon as possible should the individual become separated from the University.

20.2.1 Reimbursement

Foundations may reimburse an employee for a cellular plan on a per-request basis. An employee requesting reimbursement for a paid cell phone bill must submit a Foundations Request for Disbursement along with an original bill detailing the cellular plan. Individuals and departmental approvers submitting any such request, in so doing, acknowledge that the reimbursable portion

of the cellular plan conforms with the IRS goals and qualifications listed above as well as to one of the following:

1. The job function of the employee requires him/her to be outside of the assigned office or work area more than 50% of working time, and immediate responses are required; or
2. The job function of the employee requires him/her to be accessible outside of scheduled or normal working hours; or
3. The employee is a critical University decision maker who needs to be immediately accessible; or
4. Other reason - further justification must be supplied.

20.2.2 Monthly Stipend

In order for Foundations to pay a monthly stipend for cellular phone plans (talk time, data usage, etc.), a current-year Cell Phone Stipend Request Form, which includes an Employee Statement of Responsibility, must be completed and on file with Foundations. The form must be submitted once per calendar year as well as any time an employee's cellular plan changes (not including taxes or other uncontrollable items). Acceptance of the Request is subject to the following conditions:

1. The monthly stipend amount requested is substantiated by either a copy of the plan information or an original bill (no more than one month old) showing the plan information.
2. The "Allowance End Date" is not past December of the current calendar year; a new Cell Phone Stipend Request Form, including proper updated documentation, signatures, and allowance dates, must be submitted at least once per calendar year for each employee. (In order to avoid skipping January payments, please submit renewal requests in December.)

The Request form will also serve as a recurring Request for Disbursement until the Allowance End Date as indicated; an employee should not submit more than one such form per plan per calendar year and should not submit any Foundations RFD for the stipend. Stipend checks will be processed automatically during the third week of each month by Foundations whenever possible.

What the IRS says in Publication 15-B about employer-provided cellular phones:

The value of the business use of an employer-provided cell phone, provided primarily for noncompensatory business reasons, is excludable from an employee's income as a working condition fringe benefit. Personal use of an employer-provided cell phone, provided primarily for noncompensatory business reasons, is excludable from an employee's income as a de minimis fringe benefit. You provide a cell phone primarily for noncompensatory business purposes if there are substantial business reasons for providing the cell phone. Examples of substantial business reasons include the employer's:

- *Need to contact the employee at all times for work-related emergencies,*
- *Requirement that the employee be available to speak with clients at times when the employee is away from the office, and*
- *Need to speak with clients located in other time zones at times outside the employee's normal workday.*

You can't exclude from an employee's wages the value of a cell phone provided to promote goodwill of an employee, to attract a prospective employee, or as a means of providing additional compensation to an employee.

For additional information on the tax treatment of employer-provided cell phones, see Notice 2011-72, 2011-38 I.R.B. 407, available at IRS.gov/irb/2011-38_IRB#NOT-2011-72.

21. Books & Periodicals

Books, periodicals, and other informational materials purchased with Foundations' funds must be stamped with a department, College, or University stamp on the first page following the cover or clearly identified in some other manner. These items become the property of the University. The department initiating the purchase is responsible for properly safeguarding all assets purchased with Foundations' funds. Assets purchased with Foundations' funds are not the property of any individual without specific written approval of the Foundations' Executive Director.