

## **Allowable Expenditures Procedures**

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The College receives funding from state and local taxpayers and therefore, its expenses receive a more substantive review. As such, the College employees must ensure that all expenses necessary in the fulfillment of its stated mission are incurred at a reasonable cost and are bona fide business expenditures.

The purpose of the attached recommendations is to provide guidance to College employees regarding the following areas. The guidelines aid in streamlining processes and minimizing costs especially with recent budget reductions and soaring student enrollment.

In concert with the above, the Business Office and Purchasing Office formed the Disbursement Accountability/Cost Savings Committee and researched best practices of several types of expenses.

The following recommendations regarding the following areas were formulated for your consideration.

- Promotional Items
- Retreats
- Food Purchases
- Gifts to Employees

# Promotional Items

Effective Date: December 1, 2010

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**Purpose** To determine what constitutes promotional items and to establish uniform, college-wide procedures for obtaining and distributing these items.

**General** The College purchases promotional items to be used for official College related business. Promotional items may be used when conducting bona fide college events that are relevant to the mission and strategic directions of the College.

**Definition** Promotional items, for purposes of this procedure, shall include those items that bear the STC name, logo or approved college artwork and are intended to promote the College build a college going culture and build brand identity and loyalty.

**Associated Materials** Banner Requisition, Promotional Items Request Form, Public Relations Artwork Approval Form

## Procedures

### Promotional Items Purchases Guidelines

The following procedures must be followed when purchasing promotional items:

1. Promotional items must be intended for official business only.
2. Promotional items must not be intended for presentation to college employees, with exception of approved employee recognition events and event supplies and attire. (employees and students participating) (i.e. Financial Aid Fair)
3. The cost of promotional items must be reasonable and relevant to its purpose.
4. Promotional items should be charged as promotional/advertising expense to Banner account code #710006.
5. The purchase of promotional items should be budgeted and expensed in the Unrestricted Fund or in the Auxiliary Fund and in accordance with established guidelines.
6. Promotional items are to be purchased by the Office of Public Relations and Marketing and distributed to departments, as requested. Departments must adhere to Public Relations and Marketing Guidelines. Items which are unique to a specific event must be approved by OPRM.

Student Outreach and Student Activities may also purchase promotional items for the departments' purposes.

7. Promotional items are not allowed to be purchased with federal and state grant funds (unless specifically allowed by the grant).

### **Allowable Promotional Items**

The promotional items must be reasonable and relevant to its purpose.

### **Instructional Marketing Items Guidelines**

The following guidelines must be followed when purchasing items from the instructional marketing organizations:

1. Flyers, banners, table covers, and other similar printed materials promoting an academic division or department must be purchased with funds in the instructional marketing organizations.
2. Per the Board approved contracts, promotional items with the STC logo (such as pens, pencils, sport packs, water bottles, lanyards, canvas bags, koozies, folders, and key chains) must be purchased by Student Activities, Student Outreach and the Office of Public Relations and Marketing. Promotional items may not be purchased with funds in the instructional marketing organizations.
3. Budget Transfers moving funds into or out of the instructional marketing organizations will be allowed if the transfer complies with current policies and procedures.
4. Advertising through media (television, radio, magazines and newspapers) must be purchased by the Office of Public Relations and Marketing.
5. Self-supporting Auxiliary Fund departments (Wellness Center, Food Services, and Conferences/Events) must purchase printed marketing materials directly from their auxiliary budgets. Promotional items and advertising must be purchased by the Office of Public Relations and Marketing auxiliary organization and the expenses may be transferred to the self-supporting auxiliary organization through and IDT. The need to process an IDT will be determined by the Office of Public Relations and Marketing's availability of funds.
6. Grant/restricted departments may purchase printed marketing materials directly from their organization, as allowed by the stipulations of the funding source. Promotional items and advertising must be purchased by the Office of Public Relations and Marketing organization and then transferred to the grant/restricted organization through an IDT.

## **Inventory of Promotional Items**

1. Inventory of promotional items may be purchased and maintained only by the following departments:
  - a. Student Outreach
  - b. Office of Public Relations and Marketing
2. Appropriate internal controls over inventory must be followed.
  - a. Physical inventory – must be performed twice a year, on the first business day of December and at on the last business day of the fiscal year. A copy of the physical inventory count and value must be submitted to the Business Office. The inventory value may be included on the annual financial report.
  - b. Purchases and distribution must be tracked by a designated employee assigned by the Financial Manager.

## **Office of Public Relations and Marketing - Purchases of Promotional Items**

The Office of Public Relations and Marketing is granted an annual operating budget for purchases of promotional items. This budget should be used to purchase standard promotional items that serve the sole purpose of marketing the college. The items should be of a standard nature and should be limited in type in order to maintain a consistent college image and presentation.

Departments requesting promotional items from the Office of Public Relations and Marketing must prepare and submit an approved Promotional Items Request Form obtained from the Purchasing Office. The Department must state the purpose of the item, whom the items are for and the name of the scheduled recruitment or similar event.

Inter-department transfers (IDT's) are not to be processed for obtaining promotional items from the Office of Public Relations and Marketing. In the case when unique items are requested by a department to promote a specific event or the total cost is significant, a Budget Transfer Form should be prepared to transfer the budget from the department requesting the items to the PR department.

The matrix below summarizes the promotional item expense funding source.

		<b>Allowed to Purchase Printed Marketing Materials</b>	<b>Allowed to Purchase Promotional Items</b>	<b>Process IDT for Promotional Item Expense</b>	<b>Process Budget Transfer for Promotional Item Expense</b>
<b>1</b>	<b>Unrestricted Instructional Organizations</b> (Fund Code = 110000)	Yes, through the unrestricted instructional marketing organizations	Yes, through OPRM (Unrestricted Organization)	No	No, unless items are unique and cost is significant, as determined by OPRM
<b>2</b>	<b>Unrestricted Non-Instructional Organizations</b> (Fund Code = 110000)	Yes, items must be related to department operation requirements	Yes, through OPRM (Unrestricted Organization)	No	No, unless items are unique and cost is significant, as determined by OPRM
<b>3</b>	<b>Student Outreach Department</b>	Yes	Yes	N/A	N/A
<b>4</b>	<b>Auxiliary Conference Organizations</b> (Fund Code = 3104**)	Yes, through the auxiliary conference organization	Yes, through OPRM (Auxiliary Organization)	Yes	No
<b>5</b>	<b>Auxiliary Organizations</b> (Fund Code = 310000)	Yes, through OPRM (Auxiliary Organization)	Yes, through OPRM (Auxiliary Organization)	No	No, unless items are unique and cost is significant, as determined by OPRM
<b>6</b>	<b>Grant/Restricted Organizations</b> (Fund Code = 2****)	Yes, through the grant/restricted organization	Yes, through OPRM	Yes	No
<b>7</b>	<b>Student Activities</b>	Yes	Yes	N/A	N/A

# Retreats

Effective Date: December 1, 2010

Last Modified Date: December 1, 2010; Rev. August 13, 2013.

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**Purpose** To determine what constitutes a retreat and to establish uniform, college-wide procedures for this type of event.

**Definition** A retreat is a work and/or training meeting for a college department (or multiple departments or a special task force) for the purpose of operational or strategic planning. Retreats may include the services of guest speakers, consultants or other special invitees who possess special skill or expertise on relevant subject matter.

**General** All retreats must be for the purpose of conducting bona fide college business and must therefore be pertinent to the mission of the College. Retreats shall not be for purposes of amusement, recreational or social activities, nor shall any such activities constitute part of a retreat. The primary purpose of the retreat shall not be for presenting awards, gifts or other employee recognition activities.

The recording of expenditures for retreats must follow College policies and procedures. Departments should attempt to minimize costs as much as possible. Preference must be given to the use of College resources (e.g. facilities, STC food services, in-house expertise).

**Associated Materials** Invoices, purchase orders, W-9's, IDTs, Consultant Services/Guest Speaker Contracts, etc.

## Procedures

1. The budget must be prepared and approved by the President or Division Vice President prior to the event. Total budget must include all anticipated expenses, such as lodging, conference room charges, catering, consultant/guest speaker fees, per diem and any additional charges (e.g. salaries, stipends). The organization code(s) must also be included.
2. Along with the budget, the following documentation must be submitted:
  - a. An agenda that includes the topics of discussion or training.
  - b. A justification that addresses the benefits of the retreat to the attendees.
  - c. List of attendees.
  - d. Date of the retreat.
  - e. Location (see limitations on venue below).

3. Approval by the Vice President must be submitted at least four weeks in advance to Purchasing and the Business Office.
4. Departments must ensure that funds are available prior to submitting online requisitions, and travel paperwork.
5. Retreats must be conducted/facilitated by directors, deans or higher level administrators.
6. Allowable locations: Unless approved by the President or Division Vice President, all retreats should be held on campus. If approved by the President or Division Vice President, retreats may be held within the two county district.
7. Retreats on or off campus may be held only once a year to minimize costs.
8. Attendees to a retreat may include all departmental staff or selected department staff, as deemed necessary by the director/dean/administrator.
9. Stipends for employees (presenters) must be pre-approved by the Division Vice President. These costs must be included in the budget (see item 1 above).
10. Mileage reimbursement expenditures should be minimized as much as possible. Carpooling is to be encouraged to the maximum extent possible.
11. Per Diem for on-campus retreats is not permitted (See Travel Guidelines).
12. As per STC Travel Guidelines, per diem is not permitted if travel time on official college business is less than 24 hours; however, catering services may be provided to retreat attendees.
13. Promotional items: Please refer to procedures on promotional items.
14. Rental cars for off-campus retreats are not permitted, unless a justification is approved by the President or Division Vice President.



# Food Purchases

Effective Date: December 1, 2010

Last Modified Date: December 1, 2010; Rev. January 25, 2013; Rev. August 13, 2013; Rev. February 10, 2014; Rev. July 11, 2014; Rev. August 31, 2016

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**Purpose** To provide guidance for food and beverage related purchases (online requisitions and IDT's) under which the College will pay directly for such expenses. These policies do not apply to travel related meals while conducting College business, and food purchased by STC Food Services Department for cafeteria inventory.

**Definitions** Light refreshments – Beverages such as coffee, tea, bottled water, juice, soda. Food such as pastries, fruit, chips, cookies, cake.

Regular Meal – Full catered meal

Light Meal – Trays (e.g. sandwiches, wraps, pizza)

Meals – Both regular and light meal

Student – Individuals enrolled in STC classes, including Continuing Education classes.

Employee – STC faculty and staff including temporary, part-time (student and non-student), and full-time.

Lunch Meeting – A business meeting held during an employee's lunch-time hour.

**General** Guidelines are needed to ensure that food related purchases are reasonable, moderate, appropriate, and necessary. The cost and benefit of purchasing food related items must be carefully considered and kept to a minimum. Preference must be given to the use of College resources and services (e.g. facilities, STC food services, in-house expertise).

**Associated Materials** Online requisitions, budget transfers, IDTs, auxiliary funds

**Procedures** With the exception of food purchased for travel, educational or laboratory purposes, the only funds which may be expended for food and/or beverages shall be from the Auxiliary Fund.

Expenditures of these funds for such purposes must serve a legitimate public purpose or further the educational function of the College.

**Meals or refreshments for STC employees**

1. A meal may be provided to employees during a bona fide business meeting/event training function/retreat lasting a minimum of 4 hours and when the primary purpose of the event is not the meal, the event occurs away from the employee's normal work location, and the event does not occur more frequently than once per semester.

A light meal or light refreshments may also be provided to employees who are expected to work beyond their usual working hours for the convenience of the college, such as during registration or during emergencies or during lunch meetings.

Light refreshments or light meals during lunch meetings are allowed if:

- The meeting is held on campus; and
- The meeting is scheduled during the lunch-time hour due to the limited availability of the participants; and
- The purpose of the meeting is to conduct official business relevant to the department; and
- The meeting is comprised solely of college employees; and
- The attendance of the participants is required; and
- The food cost per participant is not greater than \$10; and
- The expense of the lunch meeting is infrequent (no more than 4 per fiscal year)

Proper documentation must be submitted to the Purchasing department during the requisition approval process and prior to issuance of the purchase.

The following information must be included in the Banner requisition (document text) or IDT for all food purchases:

- The purpose of the event clearly stating how the event is beneficial to the individual and to the College.
- A formal written agenda identifying the topics to be discussed and the time allocated to each topic.
- A listing of the attendees and their respective department.
- A statement that clearly documents why the attendees are required to attend and why it is impractical for attendees to obtain the meal on their own time.
- The expected total cost of the meal.
- The beginning and ending date and time.

2. Preference should be given to the use of the College's Food Service Department. It is the responsibility of the hosting department to coordinate with Food Services to allow enough time for adequate planning.
3. Light refreshments may be provided during meetings conducting official College business and on-site training sessions which last less than 2 hours.
4. Light meals may be provided during meetings conducting official College business and on-site training sessions which last a minimum of 2 hours.

### **Meals or refreshments for retiring STC employees**

Light meals or light refreshments may be provided at functions recognizing the years of service for a STC employee retiring from the College. The employee must have been employed with the College for at least 10 years. The total cost of the light meal or light refreshment may not exceed \$200. President's approval is required for any exceptions to spend more than \$200 for a retirement farewell/ceremony/celebration when it is conducted by a division for an employee that has been employed for at least 10 years.

Light meals or light refreshments must be approved by the Vice President or President.

### **Refreshments and Meals for non-STC employees**

1. Light refreshments may be provided at student functions where the primary beneficiaries of the event are current and prospective students (and parents/families), such as registration and graduation events.
2. Meals may be provided to prospective employees and one STC employee.
3. Meals for spouses or other individuals accompanying the prospective employees, are allowed.
4. Light meals or light refreshments may be provided at College functions for official guests/visitors and the general public where the primary purpose is related to the College's mission and strategic directions. Light meals or light refreshments may also be provided to employees participating at such functions.

### **Unallowable Expenses (Not paid by College Funds)**

- Food celebrating employees personal events (e.g. birthdays, weddings, graduations, showers, welcome/farewell parties)
- Non college-wide meals or refreshments for holiday celebrations (e.g. Thanksgiving, Christmas)
- Non college-wide meals or refreshments for annual observances (e.g. Secretary's week, Administrative Professional's Day)
- Meals or refreshments for department/division parties or entertainment.
- Meals or refreshments for department/division employee appreciation events.
- Meals or refreshments for fundraising related events should be charged to the fundraising event proceeds or sponsored instead of charging the expense to another college budget.
- President's approval is required for any exceptions to unallowable expenses.

## Employee

	Lunch Meeting	On-site Training/Official Meeting (< 2 hrs)	On-site Training/Official Meeting (≥ 2 to < 4 hrs)	On-site Training/Official Meeting/Event/Retreat (≥ 4 hrs)	Beyond Usual Working Hours (e.g. registration, graduation)
Light Refreshment	Yes	Yes	Yes	Yes	Yes
Light Meal	Yes	No	Yes	Yes	Yes
Regular Meal	No	No	No	Yes	No

## Non-Employee

	Student Function (e.g. registration, graduation)	Prospective Employee and One STC Employee	Prospective Employee Spouse or Individual Accompanying Prospective Employee	Official Guest/Visitor/General Public-Primary Purpose is related to College's Mission
Light Refreshment	Yes	Yes	Yes	Yes
Light Meal	No	Yes	Yes	Yes
Regular Meal	No	Yes	Yes	No

# Gifts

Effective Date: December 1, 2010

Last Modified Date: December 1, 2010; Rev. January 3, 2012; Rev. June 1, 2017

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**Purpose** To establish authorization and type of gifts allowed to be presented to speakers/presenters on behalf of the College and to establish guidelines regarding gifts to College employees.

**General** Gifts to speakers/presenters should be justified and approved before they are presented.

**Associated Materials** Interdepartmental Transfer (IDT), Authorization Form (BO-4100), Banner Requisition.

**Definition** Gifts do not include plaques, pins, certificates, and awards.

## Procedures

### Gifts to Speakers/Presenters

The presentation of a non-cash gift to a speaker/presenter or organization on behalf of the College is allowed for business purposes. Only STC logo and other approved art work should be permissible to be printed, typed, painted, and engraved on the gift, if applicable.

### Gifts to Employees

Gifts to college employees are not allowed. Any exceptions must be approved by the College President. Cash and cash equivalent fringe benefits (for example, gift certificates, gift cards, and the use of a charge card, or credit card), no matter the amount, are never excludable as a de minimis benefit and are taxable, per Internal Revenue Service (IRS). (See IRS-Fringe Benefits (De Minimis (Minimal) Benefits).

Plaques or certificates may be purchased or prepared for employees retiring from the College. The employee must have worked for the College at least five years. The cost may not exceed \$100.00. Any exceptions must be approved by the College President.