



FREDONIA COLLEGE FOUNDATION

Disbursements Policies and Procedures

General Information

A Foundation Check Request form must be completed for all payments. Forms should be submitted within 10 business days prior to the requested date of expenditure. Reimbursements should be submitted on a timely basis.

Each check request form must be accompanied by original documentation including the nature and description of the expenditure, its purpose and justification. Such documentation should fully spell out the “ordinary, necessary and reasonable” nature of the expenditure to achieve an appropriate institutional purpose. If the request appears vague, ambiguous, or not clearly related to an institutional purpose, it will be returned for additional justification.

The Foundation is exempt from and will not pay New York sales tax. The Foundation will provide tax exempt certificates in advance of expenditures normally requiring sales tax. A separate disbursement request for each of multiple payments to a single payee is not required. Rather, such payments may be grouped on a single check request form. This also applies to those situations in which more than one account is to be charged.

Check request forms will not be processed if the fund is in deficit.

If an order form or invoice is to be sent with the payment request, please include a photocopy to be retained with the check request form.

Please allow ten business days for the normal processing of checks. Checks will be disbursed per the instructions on the check request form. Emergency requests for payment will be honored if the request is received prior to 1:00 pm the day before the payment is needed.

Allowed Expenditures

Policies and Guidelines

The Foundation has a fiduciary responsibility to donors to use gifts for the purpose for which they were given. Expenditures must be “ordinary, necessary, and reasonable” in relation to the educational mission of the University and in accordance with the Foundation’s mission; that is, to strengthen the educational programs, research activities, and public service initiatives of Fredonia. Expenditures should be supportive of these objectives and should not be of personal benefit.

The Foundation encourages department heads and those seeking disbursements to make the fullest use of state or other resources whenever possible prior to requesting disbursement of Foundation funds.

Listed below are the general conditions required for disbursements. Expenditures must be:

1. Reasonable and have a legitimate business purpose.
2. Supportive of the University's and Foundation's mission and programs.
3. Consistent with the purpose and restriction of the fund from which the disbursement is sought.
4. Supported with appropriate documentation including original receipts, invoices, charge slips, etc. This documentation should agree with the amount of the disbursement request. Any differences must be explained.
5. Approved by a department or program head.
6. In compliance with state and federal laws and Foundation policies.
7. "Arm's Length" transactions. Expenditures must not inure to the benefit of a private individual. (See excess benefit transactions, in IRS Information)
8. There must be sufficient funds in the account.

Expenditures Not Allowed

The Foundation and Foundation's funds are provided through the generous support of donors who are interested in supporting the mission of Fredonia. As part of the Foundation's careful stewardship of these contributions, it will not allow any of the following expenditures except as noted:

1. Expenditures deemed to be extravagant, excessive or which provide significant personal benefit.
2. Reimbursements for clothing to attend special events, i.e. formal wear.
3. Parking fines, towing charges, traffic violations, or other payments due to illegal actions.
4. Personal memberships to social clubs. Exceptions to this policy can only be made by the College President or the Executive Director of Fredonia College Foundation.
5. Contributions to charitable and other organizations unless there is a programmatic relationship to Fredonia as approved by the Executive Director of the Foundation.
6. Other expenditures not directly related to one's duties.
7. Generally, costs for family members and friends to travel with staff on University business or attend University-sponsored events, such as dinners or receptions for visiting speakers or events noted above, will not be paid by the Foundation.

Completion of Check Request Forms (sample form attached)

Meals and Receptions

Use of Foundation funds for meals and receptions is permitted when such expenditures are clearly related to advancing the interests of the Fredonia, e.g., entertaining potential donors, candidates for employment, or guests to the College; food or refreshments for meetings of College committees, boards, councils, or department meetings with a business purpose. In accordance with IRS regulations, a substantial business purpose must be demonstrated.

Expenses for meals and receptions are expected to stand up to a reasonableness test. Part of the test of reasonableness is to determine whether the expense is extravagant by current and local standards. In those instances where reasonableness of expense appears to be violated, only partial reimbursement will be made.

Reimbursement of personal meals is generally considered taxable income to the recipient when not away from home on business. However, under code section 274, the IRS allows an exception when an employee's expense is directly offset by the employer's reimbursement, and neither is reported on the employee's tax return. The IRS requires:

1. An employee must substantiate the expenses to the employer, returning amounts in excess of substantiated expenses;
2. There must be a business connection for the expenses;
3. The expense must be reasonable and appropriate; and
4. A primary business purpose must be evident, with personal consumption secondary.

The Foundation policy for meal reimbursement follows IRS guidelines. When away from home on business, reimbursement of breakfast and dinner expenses will be allowed. Lunch expenses will only be allowed if a substantial business purpose is met. Meal reimbursement must pass the test of reasonableness and not be considered extravagant.

When not away from home on business, reimbursement will be made only under the terms described above. For reimbursement to occur, actual receipts must be submitted.

Travel

Travel must be for an activity related to the employee's role at the college. The destination and purpose of the trip should be clearly identified.

As with meal reimbursement, the reasonableness test shall apply. If requesting mileage reimbursement, include the number of miles traveled, destination, and purpose of the trip. Mileage will be reimbursed at the IRS approved rates.

When an individual is being reimbursed for travel expenses in part by the State, the difference between the maximum permitted from the State and the individual's actual expenses for all travel-related expenses except individual meals may be paid from a Foundation account. Since original receipts are required with the State voucher, copies of the receipts, including a copy of the State Travel Reimbursement voucher, (with the supervisor's signature) will be required as supporting documentation for the Foundation's portion of the reimbursement.

For all travel reimbursements made from Foundation funds, both the traveler and his/her supervisor must sign the check request form.

Miscellaneous Reimbursements

Receipts, cancelled checks, or charge slips totaling the amount requested and the signature of the person seeking reimbursement, attesting to the fact that they have incurred the expenses, are required. Explain any differences between the amount requested and total receipts, e.g., individual is to be reimbursed for 50% of expense, etc. When seeking reimbursement for multiple receipts, please itemize by expense type. Reimbursement made from Foundation funds should include the signature of both the person being reimbursed and his/her supervisor on the check request form.

Required Documentation for Disbursements

Approval Process

Every disbursement requires the signature of the Department Head.

Vendor Payments

To pay a vendor, please remember to attach the following documentation to the check request form:

1. Original invoice
2. Quote from vendor, if applicable (see Commodities and Services, below)
3. Purpose or description of expense
4. If payment is for a departmental meeting, lecture, conference or reception, the following information is required:
 - a. Flyer, announcement, invitation, or registration form
 - b. Purpose of event
 - c. Agenda or program booklet
 - d. List of attendees, if applicable
 - e. Contract for services, if applicable
5. If payment is for travel, the following additional information is required:
 - a. Destination or itinerary
 - b. If foreign travel, the appropriate currency exchange rate must be used to convert to U.S. dollars

Commodities and Services

The documentation required to purchase commodities and or services depends on the value of the purchase. Please keep these levels in mind when requesting disbursement for commodities or services:

\$0 - \$2,499 Standard documentation

\$2,500 - \$9,999 Justification as to the reasonableness of the vendor selected.

\$10,000 plus 3 quotes and justification if selected vendor is not the lowest bid

Reimbursements

Requests for reimbursements must include:

1. Original receipts. When applicable, include the original cancelled check.
2. Signature of payee
3. Signature of Department Head
4. Purpose of expense

Note: Reimbursement to a department or program head requires the signature of the applicable Dean or Vice President.

Food

1. Purpose
2. Names and titles of attendees
3. Interview candidates: Provide itinerary
4. Meetings: Provide agenda
5. Lectures: Provide a flyer or announcement

Conferences

1. Copy of program booklet or agenda
2. Registration form
3. Original receipts for all expenses

Travel

1. Destination or itinerary
2. If foreign travel, the appropriate currency exchange rate must be used to convert to J.S. dollars.
3. Purpose

Scholarships and Awards

1. Name, , Fredonia ID number (F#), and address of recipient
2. Name of scholarship or award

Honoraria and Stipends

1. Name, social security number, and address of recipient
2. Completed W-9 Form if payment is over \$600 (sample form attached)
3. Description of services provided
4. Explanation of how the payment (i.e. contract, invoice, agreement, hourly rate, etc. ;)
5. Flyer or invitation of the event

Advances

Requests for Advance

To request an advance, the department must provide an outline of the proposed expenses to offset the advance. The recipient's social security number and permanent address is required, as the Foundation is required (per IRS regulations) to record unresolved advances as income to the recipient.

An accounting of advances must be made within 30 days. This should include original receipts relating to the expense(s) incurred. If a portion of the advance was not used, the unused funds must be returned to the Foundation. If expenses over the amount of the advance were incurred, a Check Request Form should be completed.

Advance Repayment

When repaying an advance to the Foundation, please submit the following documentation:

1. Copy of original advance form
2. Receipts for amounts expended and cash/check for unused funds

Tax Treatment of Advances

Pursuant to Section 62(c) of the Internal Revenue Code, advances made to employees or related parties must be accounted for any excess amounts returned to the employer. Any unaccounted advances are taxable income to the employee or related party and reported to the IRS.

Approved: October 24, 2008

Department Assistants will have the blue check request forms or you may contact the Foundation and a supply will be sent to you. Please call 716-673-3321 or send an email to foundation@fredonia.edu

The form is not available electronically.

If you do not know your account number please contact the Foundation.



Fredonia College Foundation

CHECK REQUEST

Date: _____

CHECK PAYABLE TO: _____

Student ID Number (if applicable): F# _____

Payee Address: _____

Amount: \$ _____ (Attach bill and/or receipts)

Account/Dept. to be charged: Please write the account # (ex. 222100) _____

Purpose of Funds: _____

Please indicate how check should be dispersed:

- Will pick up
- Call when ready (Phone No. _____)
- Mail to department
- Mail to payee (include charge code on envelope provided)

Requested by: _____

Approved by: _____

(Department Head)

DO NOT WRITE BELOW – FOUNDATION USE ONLY

FREDONIA COLLEGE FOUNDATION
INVOICE PAYABLE

Check No. _____ Date _____

Prepared by: _____

Account	Distribution	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

1	Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2	Business name/disregarded entity name, if different from above	
3	Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.	
	<input type="checkbox"/> Other (see instructions) ▶ _____	
4	Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
5	Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6	City, state, and ZIP code	
7	List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									

Part II Certification

- Under penalties of perjury, I certify that:
- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
 - I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
 - I am a U.S. citizen or other U.S. person (defined below); and
 - The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.