

PETTY CASH

TABLE OF CONTENTS

Overview	2
Types of Petty Cash Funds	2
Petty Cash Fund Custodian Responsibilities	3
Requesting a Petty Cash Fund	3
Required Forms and Process	3
Accounting Entries and Transactions	3
Replenishing a Petty Cash Fund	4
Required Forms and Process	4
Accounting Entries and Transactions	4
Closing a Petty Cash Fund Balance	5
Required Forms.....	5
Accounting Entries and Transactions	6
Reviewing Petty Cash in PeopleSoft.....	6
Frequently Asked Questions (FAQ)	6
Resources	10
Help/Footprints.....	10
Training	10
Forms.....	10
Related Policies/Procedures/Guidelines.....	10
Relevant UVM Departments	10
Suggestions? Updates?	11

Overview

A petty cash fund is a cash fund kept in a secured location for immediate use when a purchase order or a purchasing card cannot be used.

Petty cash funds are maintained by a designated custodian, who must be an on-going, permanent employee. As a rule, the fund should need replenishment at least once a month; that is, the total of the expenditures over a four-week period should equal the amount of the fund.

This user guide is intended to describe what types of petty cash funds exist, how to open, replenish, and close one, the necessary forms during each step of the process, and how accounting entries are created. The forms used in each step of the process are based in Excel and have formulas built into shaded cells and where noted.

Types of Petty Cash Funds

There are four types of petty cash funds:

1. **Standard long-term petty cash funds** (General Ledger Account 10050) are *long-term*, based upon an ongoing and revolving use of the funds for which replenishments are done on a frequent and regular basis. An example would be a departmental petty cash fund.
2. **Short-term/Event petty cash funds** (General Ledger Account 10053) are *short-term* funds provided for a specific event or project, and have a definite end date by which they are to be closed out. An example might be orientation, graduation, or a student-life event.

(Note: Long- and short-term funds used for participants should be classified as subject cost petty cash funds.)

3. **Subject cost petty cash funds** (General Ledger Account 10051) have an end date by which they will be closed out and are used for subject payments in research studies. An example would be a specific study within the Psychology department. There are strict IRS reporting laws associated with these accounts. All subjects must complete a payment acknowledgement form for each unique payment they receive. This form is turned in with the replenishment or closeout of the fund for IRS 1099 Misc. or 1042-S analysis, tracking and reporting. Additional information for these types of payments can be found in the [Research Participant Tax Reporting Guidelines](#).
4. **Change funds** (General Ledger Account 10052) may be *short-term or long-term in nature* and are used exclusively for making change in a cash register or a specific event. Some examples would be a change fund in the cash register at the Fleming Museum, a change fund for vending machines at the library, or a change cash box for a sporting event ticket sales.

All approved funds should be maintained separately. At no time should petty cash funds be mixed across type or custodian.

Petty Cash Fund Custodian Responsibilities

Custodians of the University's cash are personally responsible for maintaining and safeguarding the fund, including monthly reconciliations and regular replenishments (see [FAQ](#) on how to do this).

Petty cash funds must be secured with a double-lock (e.g., a lock box kept in a locked desk or safe) any time they are unattended and not in immediate use. Funds unaccounted for or misused may be withheld from the custodian's paycheck. If petty cash procedures are not followed, petty cash privileges will be terminated. (See [FAQ](#) on loss of petty cash procedure.)

Receipts, payment acknowledgment forms and all other documentation must be obtained and submitted to Financial & Cost Accounting Services (FCAS) prior to the expense being recorded as incurred. Refer to the appropriate UVM policy or procedure for documentation requirements for expenses. For example, any business meal-related expenses paid with petty cash should conform to the [Business Meal, Hospitality and Amenity Policy \(PDF\)](#). Items that do not have appropriate documentation will not be reimbursable when it is time to replenish or close the fund.

Custodians are responsible for requiring receipts for all purchases through their petty cash fund.

Expect periodic, unannounced audits of the fund on location and a possible call-in of all moneys prior to the fiscal year-end as the situation dictates. Call-ins and audits will be made at the discretion of Financial & Cost Accounting Services. [Notify FCAS](#) immediately if another unit requests such access to their petty cash information. This is not appropriate.

Requesting a Petty Cash Fund

Petty cash funds are requested by the custodian and approved by the appropriate chair, dean, or director. The request will be submitted electronically via Secure File Transfer to and reviewed by Financial & Cost Accounting Services for approval. Please allow 2 to 3 business days for processing.

Required Forms and Process

To request a petty cash fund, complete the [Request for Petty Cash form \(Excel\)](#). The chair, dean, or director's approval is documented on the form by their signature. All sections of the form must be completed.

For petty cash disbursed in cash, the custodian will send the completed request form to FCAS electronically via Secure File Transfer. If it is approved, the custodian will need to bring photo identification to the Treasury Services office for cash to be issued.

For petty cash disbursed in check, the request form with a check request form should be sent to FCAS. If it is approved, FCAS will route to the Disbursement Center for processing. Please allow 10 business days for processing by the Disbursement Center to receive the check.

Accounting Entries and Transactions

When the request is approved and the funds are issued to the custodian, a transaction will be entered to record the petty cash fund balance on the "Petty Cash Chartstring" listed on the Request

for Petty Cash form. The amount is linked in PeopleSoft to the custodian's employee ID.

- For petty cash disbursed in cash, Treasury Services will enter a deposit to record the amount in the general ledger.
- For petty cash disbursed in check, the Disbursement Center will enter a voucher to record the amount in the general ledger.

(See [Reviewing Petty Cash in PeopleSoft](#) section on how to find petty cash funds in the system.)

Replenishing a Petty Cash Fund

A replenishment is restoring the cash spent in a petty cash fund. To restore the funds, the custodian must document the amount of money spent under the fund. Replenishments of a petty cash account should be needed at least once a month. Please allow 2 to 3 business days for processing.

Required Forms and Process

To replenish a fund in cash, complete the [Petty Cash Replenishment form \(Excel\)](#) and check the "Cash" box. The departmental budget manager, chair, dean, or director must approve the form by signing it. The custodian will send the completed request form to FCAS electronically via Secure File Transfer supported by all receipts or payment acknowledgment forms to document the amount spent. If it is approved, the custodian will need to bring photo identification to the Treasury Services office for cash to be issued.

To replenish a fund by check, complete the [Petty Cash Replenishment form \(Excel\)](#) and check the "Check" box. Submit the form supported by all receipts or payment acknowledgment forms to document the amount spent, and a check request form electronically to FCAS via Secure File Transfer. If it is approved, FCAS will route to the Disbursement Center for further processing. Please allow 10 business days for processing by the Disbursement Center to receive the check.

The "Petty Cash Chartstring" and "Budget Chartstring" used on the replenishment and check request forms should match the original Request for Petty Cash. (See [FAQ section](#) if the chartstring has changed.) The "Log receipts" section of the form should include a list of all Payee/Participants*/Merchant information. If there are more than 15 names use "page 2" and "page 3" excel tabs to log additional details.

**For participant payments, do NOT include their name on the petty cash replenishment log. Instead, number the payment acknowledgement forms and indicate the form number in the log area. This must happen so the participant names are not linked in the accounting system to the associated research project and maintains anonymity.*

Accounting Entries and Transactions

When the replenishment is approved and the funds are picked up by the custodian, two transactions

will be entered to record the petty cash fund replenishment.

1. The cash disbursed to the custodian will be recorded on the “Petty Cash Chartstring” listed on the replenishment form. The amount is linked in PeopleSoft to the custodian’s employee ID.
 - For petty cash disbursed in cash, Treasury Services will enter a deposit to record the amount.
 - For petty cash disbursed in check, the Disbursement Center will enter a voucherto record the amount.
2. A journal entry to record the expenses reflected on the replenishment form will be entered by Financial & Cost Accounting Services. If errors occur, the department business manager will be notified to resolve within 10 days or general funds will be charged.

(See [Reviewing Petty Cash in PeopleSoft](#) section on how to find petty cash funds in the system.)

Closing a Petty Cash Fund Balance

When the event, research study, or other business purpose has been fulfilled, the fund should be closed. Additionally, when the custodian of any petty cash fund leaves the department, or terminates employment, the fund must be closed out before a new custodian can be assigned. Please allow 2 to 3 business days for processing.

Please note, the University will deduct the money from a custodian’s paycheck for any misuse of funds or loss of funds through mismanagement. This practice is authorized by the custodian on the Request for Petty Cash Form.

Required Forms

To close out a petty cash fund balance, complete the Petty Cash Closeout form. The departmental budget manager, chairperson, dean or director must approve the form by signing. Submit the completed form to Financial & Cost Accounting Services supported by all receipts or payment acknowledgement forms to document the amount spent. If there is cash to return, the information and cash should be physically brought to FCAS. Do NOT send cash through campus mail.

The “Petty Cash Chartstring” and “Budget Chartstring” used on the replenishment and check request forms should match the original Request for Petty Cash. (See [FAQ section](#) if the chartstring has changed.) The “Log receipts” section of the form should include a list of all Payee/Participants*/ Merchant information. If there are more than 15 names use “Page 2” and “Page 3” excel tabs to log additional details.

**For participant payments, do NOT include their name on the petty cash replenishment log. Instead, number the payment acknowledgement forms and indicate the form number in the log area. This must happen so the participant names are not linked in the accounting system to the associated research project and maintains anonymity.*

Accounting Entries and Transactions

When the petty cash closeout is approved and the custodian returns any remaining funds, two transactions will be entered to record the closeout.

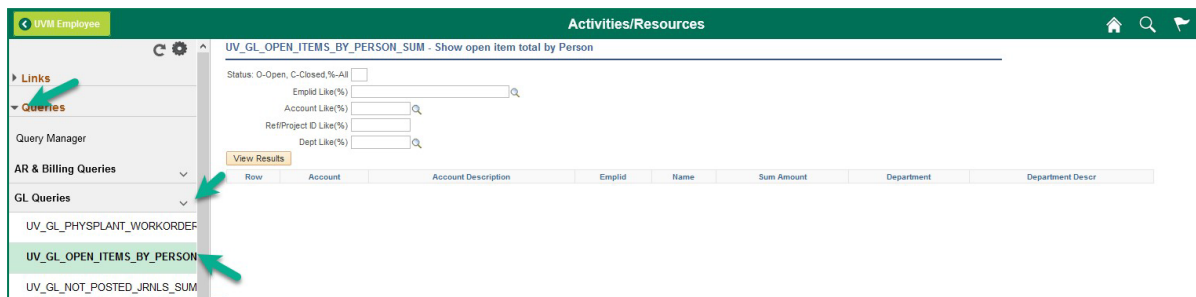
1. If cash is returned by the custodian, Treasury Services will enter a deposit on the “Petty Cash Chartstring” listed on the closeout form. The amount is linked in PeopleSoft to the custodian’s employee ID.
2. If there is an amount that was spent, a journal entry to record the expenses reflected on the closeout form will be entered by Financial & Cost Accounting Services. If errors occur, the department business manager will be notified to resolve within 10 days or general funds will be charged.

The result of these entries will reduce the petty cash balance to zero.

(See [Reviewing Petty Cash in PeopleSoft](#) section on how to find petty cash funds in the system.)

Reviewing Petty Cash in PeopleSoft

All petty cash transactions are recorded against the custodian’s employee ID and the “Petty Cash Chartstring” on the Petty Cash Request form. Retrieve all posted activity on a custodian’s petty cash fund by running the **UV_GL_OPEN_ITEMS_BY_PERSON** query in GL Queries group of the UVM Business Mgr WorkCenter in PeopleSoft Finance. Below are the criteria that can be used to run the query.



It is advisable to run the query by putting “%” in the status since a custodian might have transactions related to petty cash that are open and closed. This will give the most comprehensive picture.

The account and department fields are for those for the “Petty Cash Chartstring” on the request form.

Because this query only pulls posted activity, if there are pending journals, it will not pull that information.

Frequently Asked Questions (FAQ)

1. What is the difference between a petty cash fund and cash advance?
 - a. A petty cash fund is a cash fund kept in a secured location for immediate use when a purchase order or a purchasing card cannot be used. A travel cash advance is money given to an eligible traveler in advance of a business-related trip to pay for anticipated

expenses. Rules and processes around cash advances can be found on the [Travel Authorizations and Advances](#) website.

2. Are there limits to how much petty cash I can take out?
 - a. There is not a firm limit, but it should be appropriate to the business purpose and should require replenishment at least once a month. If petty cash is being disbursed in cash (as opposed to check) that is larger than \$2,000, Treasury Services will need to be notified at least 48 hours in advance in order to have adequate cash levels to fulfill the request. Please work with Financial & Cost Accounting Services on this.
- . Can I reimburse a UVM employee for their expenses using petty cash?
 - a. No, when an employee uses their personal funds to pay for business-related expenses, they must follow the pertinent expense reimbursement process. Petty cash can only be used for proper uses as described above. If a purchase can be made on a Purchasing Card, that is the preferred method of payment.
4. Am I allowed to request a petty cash fund to be expensed against a grant?
 - a. Yes, when completing the petty cash request form, you can use a grant chartstring as the primary one. The project must be active; a petty cash fund cannot be taken out on a closed or inactive grant.
 - b. A secondary, unrestricted chartstring must be provided at the time the petty cash fund is requested in the event of budget errors that are unresolved for an extended period of time.
5. I need to separate the expenses on my replenishment and closeout on different general ledger accounts and/or different project IDs under the same grant award. How do I do this?
 - a. In the “log receipts” area of the pertinent forms, you should identify in the “Description” column the project ID number associated with the payment. There is a column to indicate the general ledger expense account in this section, as well. When all payments are logged, a “Summary of Expenses by Account and/or Project ID” section on the forms will need to be populated. The “total amount expended” by account and/or by project ID of this summary section must match the expended amount in the log section.
6. What do I do if my chartstring has changed from one grant year to another?
 - a. If your chartstring has changed due to a new grant year, notify Financial & Cost Accounting Services in writing. If the project is for the same work and under the same Award Number, your request form will be updated accordingly. If the project is for different work or under a different Award Number, a closeout form for the old project and a request form for the new project will be needed.
7. I am a parent of a child participating in a study. Who should sign the payment acknowledgement form?
 - a. Either the parent or the child can receive the form. If the child’s participation in the study resulted in the payment, they are the constructive recipient of the funds, though, and any tax reporting information would be in their name.
- . I have found that cash in my petty cash fund is short. What should I do?

- a. Losses through theft should be immediately reported to UVM Police Services and Financial & Cost Accounting Services. The fund should be replenished promptly with a written explanation signed by the appropriate dean, director or chair.
 - b. If loss is not due to theft, notify Financial & Cost Accounting Services for instruction.
9. As a petty cash custodian, how do I reconcile my petty cash fund?
- a. Your petty cash fund should be reconciled at least monthly. The replenishment form has a section to aid in this process.

Reconciliation of Petty Cash		
Total expended for this replenishment (sum of all pages):	\$ -	formula driven, TTS replenish this amt
Unspent cash - confirm this matches the cash in your possession:	\$ -	formula driven
Prior fund balance reductions:	\$ -	
Enter your original fund balance per approved form here:	\$ -	

- b. The locked box or locked container that your petty cash is stored in should **always** have cash and receipts totaling the amount of the fund you have been authorized. When cash is removed by the custodian for a purchase or issued to another person to make a purchase, a note describing this transaction must be placed in the locked container until a receipt is received for the records.
 - c. When the petty cash fund is reconciled or a call-in is made, all amounts expended (including the value of those notes) plus the cash in the box should equal the issued fund.
10. What is the process for changing the custodian on a petty cash fund?
- a. When the custodian is leaving the department, has a change of duties, or is terminating employment, any petty cash fund in their name will need to be closed *prior* to their last day. The completed Petty Cash Closeout form, with appropriate signatures, should be submitted accompanied with any unspent cash and receipts or payment acknowledgement forms to Financial & Cost Accounting Services. If a new custodian is taking their place, a Petty Cash Request form for this new fund is needed.
 - b. If your fund is used as an opening cash till in a Point-of-Sale register, FCAS can perform a physical count to transfer the funds over to the new custodian.
11. What is the process to increase a Petty Cash Fund?
- a. When the custodian of a Petty Cash Fund needs to increase their fund it is recommended that they close their current fund and open a new petty cash fund with the desired amount. This will keep the petty cash process clean and easy to reconcile.
12. Is a custodian allowed to have multiple petty cash funds?
- a. Yes, it is possible for a custodian to have multiple petty cash funds. Often, this occurs when a researcher is working on multiple projects. To keep the petty cash process clean and easy to reconcile, the custodian must request each petty cash fund, must replenish and reconcile them and must close them separately.
13. My department receives cash donations from visitors. Am I allowed to use this as petty cash?
- a. No. You must deposit all cash donations timely; work with UVM Foundation to determine appropriate accounting for such donations. All petty cash funds should be opened through Financial & Cost Accounting Services, following the procedures listed above.

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14. Are purchases made with cash tax exempt?
- The University of Vermont is exempt from Vermont Sales Tax and these amounts should not be paid. The [Vermont tax exempt certificate \(PDF\)](#) should be submitted to vendors at time of purchase. It is possible vendors will not honor an exemption when cash is used as the form of payment. Petty cash replenishments or closeouts including Vermont Sales Tax will be disallowed and the custodian will be responsible for these amounts. Vendors should always honor a tax exemption accompanied by a University Purchasing Card which is the preferred method for such transactions.
15. Who retains the records for petty cash funds? Am I able to request copies of my petty cash documentation? If so, from whom?
- Approved forms, receipts and payment acknowledgement forms are maintained by Financial & Cost Accounting Services or the Disbursement Center in accordance with the record retention policy. Records may be destructed after the required retention period. Therefore, it is highly recommended that departments keep their own copies before submitting them for approval and processing. Departments maintaining their own records should be cognizant of the points in the pertinent Record Policies and University Operating Procedures.
16. What am I required to do at the end of the calendar year (12/31/xx) related to petty cash?
- To meet IRS reporting deadlines, a petty cash custodian with an open **subject cost account** must either replenish or close out the account to keep Accounts Payable information current for any 1099 reporting requirements.
Any participant payment forms not included in an approved replenishment or close out for the prior calendar year will be requested by Financial & Cost Accounting Services within 5 business days of the end of the calendar year. For example, calendar year 2018 payments were due by January 8th, 2019. A notice will be sent by FCAS with exact timelines at the end of the calendar year.
Any subject payment documentation that is received late may be disallowed and the custodian could be personally liable for payments not submitted timely. This measure is necessary to avoid IRS fees and penalties for non-compliance.
 - Other types of petty cash funds do not require anything further for the end of the calendar year.
17. What am I required to do at the end of the fiscal year (06/30/xx) related to petty cash?
- All petty cash activity for fiscal year must be submitted for recording in the financial system before the fiscal year can be closed. FCAS will notify campus with exact timelines at the end of the calendar year. Failure to comply with the communicated deadlines may result in petty cash privileges being revoked.
 - All **departmental long-term petty cash & subject cost petty cash accounts** must be replenished for the end of the fiscal year. This is true even if the study is not complete or the petty cash fund is still needed beyond June 30th. Any receipts or participant payment forms not included in an approved replenishment or close out for the prior calendar year will be requested by FCAS.
 - All **temporary short-term petty cash** accounts for events completed by June 30th must be closed out.

- iii. All **change fund petty cash accounts** where the funds are not needed until the next fiscal year, must be closed out.
- iv. When replenishing or closing funds to meet fiscal year deadlines, please separate old fiscal year activity (activity prior to June 30th) from new fiscal year activity (activity after July 1st) on separate forms.

Resources

Help/Footprints

If you have questions about information in this document, or, if after reading it, you cannot find the information you need, please submit a PeopleSoft help desk ticket in [Footprints](#).

Training

- [UFS Roadshow Training Topics \(PDF\)](#)
- [Professional Development & Training](#)

Forms

- [Request for Petty Cash form \(Excel\)](#) – Open a new petty cash fund, all types, or to re-open an account under a new custodian's name
- [Petty Cash Replenishment form \(Excel\)](#) – Replenish an existing petty cash fund
- [Petty Cash Closeout form \(Excel\)](#) – Close out an existing petty cash fund of anytype
- [Payment Acknowledgement Form \(PDF\)](#)
- [International Information Form \(IIF\) \(PDF\)](#)
- [W-8BEN Form \(PDF\)](#)

Related Policies/Procedures/Guidelines

- [Privacy Policy \(PDF\)](#)
- [UVM Privacy Procedures \(PDF\)](#)
- [Payments to Foreign Nationals and Entities Policy \(PDF\)](#)
- [Business Meal, Hospitality and Amenity Policy \(PDF\)](#)
- [Records Management and Retention Policy \(PDF\)](#)
- [Records and Document Request Policy \(PDF\)](#)
- [Record Preservation Directives Procedure \(PDF\)](#)
- [Research Participant Tax Reporting Guidelines](#)

Relevant UVM Departments

- [Financial & Cost Accounting Services](#) – for opening, replenishing, or closing a petty cash fund questions
- [Accounts Payable](#) - for requesting and managing petty cash by check, and 1099 Misc. questions



- [Tax Services](#) – for tax liability, nonresident alien payments and 1042-S questions
- [Treasury Services](#) – for cash pick-up and deposit questions

Suggestions? Updates?

Send an email to PS9-1Upgrade@uvm.edu



The University of Vermont

Policy V. 4.3.2

Responsible Official: Vice President
for Finance and Administration

Effective Date: January 1, 2014

Business Meal, Hospitality and Amenity

Policy Statement

Any University business meal, hospitality or amenity expenditure must have a clear business purpose which advances the University's mission, must be reasonable in amount, and appropriate under the relevant circumstances. The person(s) responsible for the expense is responsible and accountable for ensuring compliance with this policy and appropriate federal, state and local guidelines.

This guidance applies to all payment mechanisms, including invoices from vendors, purchasing card charges, petty cash, and expense reimbursement. It is also designed to help faculty and staff determine what is reasonable within the broad array of events and situations that occur on and off campus.

Amenity purchases from Recharge Centers (i.e., Income/Expense activities) may not be included in the rate they charge to agriculture formula or sponsored project funds.

Reason for the Policy

The University of Vermont (University) has been entrusted with public funds to fulfill its mission of education, research, and public service. All University faculty and staff are obligated to ensure that University funds are used only for mission-related purposes. There are instances where business meal and amenity expenditures are beneficial to the unit's and the University's mission. At the same time, by their subjective nature there is potential for the misinterpretation of legitimate use. Thoughtful consideration by all University personnel is essential in making prudent and ethical decisions about business meal and amenity expenditures.

Applicability of the Policy

This policy applies to all University of Vermont faculty, staff, and University- and Student Government Association-recognized organizations, with the exception of the UVM Foundation which has its own policy.

Exceptions should be infrequent. Departments may request an exception from the University Controller in those situations where special circumstances exist. An exception should be obtained in advance of the event.

Policy Elaboration

Categories of Expenditure

Business Meal: A meal attended by faculty, staff, students, non-University personnel, and official guests of the University, for which the primary purpose of that meeting is to conduct University business. Business meals may occur while away from campus on travel status, or locally with consultants, academic collaborators, recruits, and others with official University relationships. The main focus of the activity is University business and consumption of food is incidental to the purpose of the meeting.

- Where possible, business meals should be conducted on campus, during normal business hours, and be limited in scope. University facilities provide a variety of appropriate venues to conduct most business meetings. Travel to and from off-campus sites creates additional traffic in the local surroundings, increases the University's carbon footprint, consumes additional time, and may create additional risks.
- All reimbursement requests for business-related meal expenses must fully document the purpose of the meeting, the names of those in attendance, the time and place of the meeting, and include an itemized receipt. A credit card receipt is allowable only if itemized.
- Business meals require a significant commitment of time and financial resources. Accordingly, the number of such events should be limited.
- Meals/refreshments may be provided to employees who are required to work during a declared or non-declared campus emergency.
- Meals and refreshments on sponsored projects are allowed to the extent they are allowable under University of Vermont policies and those of the sponsor. In many instances, the terms of the grant or contract are more restrictive than the University's policy.
 - Whenever possible, the need for such meals and refreshments should be included in the proposal budget.
 - In order for business meals to be charged to a federal grant, the following must be demonstrated:
 - The meal must be part of a formal business meeting and integral to the continuity of conducting business or there must be some other clear and compelling reason why the business could only be conducted over a meal.
 - The meeting must include external participant(s).
 - The business discussed during the meal must be integral to the goals and objectives of the project.

Business Meal While on Travel Status: A University employee can incur a business meal expense while on travel status. These expenses must be documented in accordance with the procedures specified in this policy, with a clear business purpose. The meal must be incidental to the meeting. Other meals for travel are reported separately from the business meals. See Travel Policy (<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/travel.pdf>).

- If payment for a business meal while on travel status is required, the cost of the University employee's meal is included in the daily maximum meal allowance under the Travel Policy.

Meal Provided to a Spouse or Family Member: Meals provided by the University to a spouse, family member, or other person accompanying a University employee will be permitted only when there is a substantial and legitimate business reason for that person's attendance, documented in writing and attached to the documents supporting payment. The IRS does not permit tax-free treatment when the spouse or other person is present merely for a social or personal purpose.

Travel Meal: A meal taken while on travel status; the employee is away from home on a trip requiring an overnight stay. Actual and reasonable meal expenses (including gratuities) will be paid in accordance with the University Travel Policy

(<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/travel.pdf>).

Entertainment expenses: Per applicable federal guidelines, entertainment meals are allowable on federally sponsored projects only with prior approval from the sponsor.

Hospitality: Food service at public events such as art exhibit openings, student functions, farewell or retirement receptions, or fund raising events is allowed. With the exception of business meals, any event or activity where alcohol is being served is considered a hospitality event.

Refreshments: Food service at closed events such as workshops, employee training events, etc., which is not a full meal, for example coffee and bagel, or fruit, cheese and crackers, etc., is allowed. Food services provided for University employees only is considered refreshments. Providing refreshments for staff, faculty or committee meetings on a regular basis is discouraged.

Groceries, Food Purchases: Grocery and food purchases for refreshments or business or hospitality meals held on or off campus may be reimbursable if provisions of this policy are met.

Amenity: A gift item that helps to build, strengthen and promote relationships between the University and external groups or individuals.

- When traveling abroad, it may be appropriate to bring a gift or amenity to a host or host family.
- Expenditures for officially sanctioned University activities, such as Commencement or the Employee Recognition Program are appropriate.
- Length of Services Awards, retirement gifts, etc.: Items may be given to employees for these types of occasions, at the discretion of the Dean or appropriate Vice President, if unrestricted funds or discretionary gift funds are available. These may be reportable as taxable compensation. See Awards, Prizes and Winnings Procedure (<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/prizes.pdf>).

Employee Morale Activities: Those University-wide activities such as Staff Appreciation Week, retirement parties, University-wide length of service awards are allowed. These activities are appropriate when held at University facilities and are open to University attendance. If non-University space is required, preapproval must be granted by the University Controller.

- One annual appreciation gathering per year is allowable, hosted by chair, director, etc. A maximum of \$50 per employee in spending is allowable toward the annual appreciation gathering, if unrestricted funds or discretionary gift funds are available.

Alcohol: The expenditure and the circumstances for the consumption of alcoholic beverages must not jeopardize the University's reputation, or the health and welfare of those involved. Alcohol may only be paid for with discretionary gift funds or non-student agency funds, and the expense **must** have **prior** approval, in writing, of the Provost or appropriate Vice President. See Faculty and Staff Alcohol Policy (https://www.uvm.edu/sites/default/files/UVM-Policies/policies/alcohol_employees.pdf).

- Alcoholic beverages are never allowable on federal sponsored projects, and are generally unallowable on non-federal awards.
- All official University functions held on-campus where alcohol is served must be catered by the University's contracted food service provider, except as exempted by contract.
- Official off-campus functions where alcohol is served must be carried out by a vendor holding a valid liquor license.
- Payment for services of a bartender for a cash bar (individuals paying for their own beverages) must have prior approval, in writing, of the Provost or appropriate Vice President.
- University employees will not be reimbursed for alcohol purchased at a liquor store, grocery store, or similar venue.
- All vendors serving alcohol are required to meet the University's standard insurance requirements and carry \$1,000,000 per occurrence in liquor liability insurance. Off-campus providers must name the University as additional insured.
- All attendees consuming alcohol at an event where alcohol is being served must be of legal drinking age.

On-Campus Catering: Departments and student organizations must adhere to the Campus Catering Process and use only approved vendors when using University funds, whether delivered or picked up, regardless of dollar amount. All exceptions must be approved through the campus catering waiver process managed through Conference and Event Services.

- Campus Catering Process (<https://www.uvm.edu/eventservices/catering-guidelines>)
- Approved Caterers (<https://www.uvm.edu/eventservices/catering-guidelines>)
- Catering Waiver Form (<https://www.uvm.edu/eventservices/catering-guidelines>)

Documentation Requirement: **Itemized** receipts are required for all expenses incurred, regardless of the method of payment to be considered substantiated. All requests for reimbursements must be submitted within 60 calendar days of the expenditure.

Lost Receipts: If a receipt is lost, misplaced, or damaged beyond legibility, the employee is responsible for contacting the vendor and requesting a copy of the receipt. This applies regardless of method of purchase, i.e., cash, purchasing card, personal credit card, etc.

- If the traveler is unable to submit a receipt, the expense amount will be deducted from the total reimbursement.
- In limited circumstances, alternate documentation approved by the Provost, Dean or Vice President may be accepted.

Unallowable: Expenses for the following types of occasions are not permitted:

- Employee birthdays, weddings, anniversaries, holiday gatherings, etc. Expenses for these occasions will be borne by the employee.
- Expenses for social gatherings without a clear business purposes will be borne by the employee.
- Flowers, greeting cards or other gifts to University Employees.
- Expenditures for most occasions (Secretary's Day, Administrative Assistant's Day, Boss' Day, birthdays, holidays, get well, funeral, etc.) are not allowed using University funds. This includes meals, food, amenity items, flowers, and gifts.

Definitions

Accountable Plan: To be an accountable plan as defined by the IRS, an employer's reimbursement or allowance arrangement must include all of the following rules or the cash advance can be considered taxable income.

1. Expenses must have a business connection that is, an employee must have paid or incurred deductible expenses while performing services as an employee of the employer.
2. Adequate accounting to the employer for these expenses is expected within a reasonable period of time.
3. Any excess reimbursement or allowance must be returned within a reasonable period of time.

Business Purpose: An activity or event conducted to further the mission of the University of Vermont. Without the expense, programmatic objectives would be difficult or otherwise more costly to achieve or the impact, level, or quality of the achievement would be reduced.

Itemized Receipts: A receipt which shows the detail of each item purchased, date, time, vendor name, etc. It is normally printed by a cash register.

Reasonable: The quantity and quality of goods or services being purchased is sufficient to meet the University's identified need without exceeding it.

Substantiated: Expenses documented with original, itemized receipts, date of event, business purpose and attendees.

Travel Status: An employee traveling away from home if work duties require the employee to be away from the general area of one's tax home for a period substantially longer than an ordinary day's work, and sleep or rest is needed to meet the demands of the work while away.

Unsubstantiated: Expenses which are not documented with original, itemized receipts, dates of expense, business purpose, and attendees.

University Business: Defined as "while on assignment by or at the direction of the University for furthering its business interest."

Procedures

See Policy Elaboration

Forms

Catering Waiver Form

<https://www.uvm.edu/eventservices/catering-guidelines>

Contacts

Questions related to the daily operational interpretation of this policy should be directed to:

Disbursement Center

disburse@uvm.edu

Sodexo Food Service

<https://uvm dining.sodexomyway.com/catering/index.html>

(802) 656-4617 (for on-campus catering)

Campus Catering Process

Conference and Events Services (802) 656-5665

<https://www.uvm.edu/eventservices/catering-guidelines>

The Vice President for Finance and Administration is the official responsible for the interpretation and administration of this policy.

Related Documents/Policies

Alcohol Service and Consumption at University Activities –Faculty and Staff

https://www.uvm.edu/sites/default/files/UVM-Policies/policies/alcohol_employees.pdf

Awards, Prizes and Winnings Procedure

<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/prizes.pdf>

Business Meals, Hospitality and Amenity Policy FAQ

<https://www.uvm.edu/finance/business-meals-hospitality-other-reimbursable-expenses>

Campus Catering

<https://www.uvm.edu/eventservices/catering-guidelines>

Cost Policy on Sponsored Agreements

https://www.uvm.edu/sites/default/files/UVM-Policies/policies/SponAgree_CostPolicy.pdf

Requisitions, Purchase Orders, and Reviewing Payment Information User Guide

<https://www.uvm.edu/sites/default/files/Division-of-Finance/UserGuides/accountspayable.pdf>

Travel and Expense User Guides

<https://www.uvm.edu/finance/user-guides>

Travel Policy

<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/travel.pdf>

UVM Purchasing Card

<https://www.uvm.edu/finance/purcard>

Effective Date

Approved by the President on January 13, 2014

Accepted by the Vice President for Finance and Treasurer on January 7, 2014