

Purchasing Procedures

The Athletic Department follows the purchasing guidelines set forth by The University of Montana and the State of Montana. Guidelines and forms are accessible on the Business Services web site: www.umt.edu/bussrvcs.

The determining factor for the method used for purchasing items depends upon the dollar amount to be expended.

- Athletic department personnel issued a ProCard **must** follow the procedures established (see ProCard Procedures).
- Credit cards for departmental use at Costco Wholesale are available upon request.
- Reimbursement for purchases under \$50.00 is done per Petty Cash Policy.
- Purchases between \$5,000 and \$15,000 require a limited solicitation or requisition. Check with Purchasing to determine guidelines.
- Purchases over \$5000.00 from a single vendor must be done by requisition in accordance with the State of Montana bid process. The requisitions are entered on BANNER by the department and then a request for bid is processed and sent to potential vendors by Business Services/ Purchasing. Bid requests may also be found on the Internet.
- Public Relations and entertainment expense is not allowed from State of Montana funding sources. The allowable sources for public relations expense are an Athletics Designated account (using the appropriate entertainment form) or UM Foundation funds.
- General office supplies such as pens, file folders, copy paper, staples, pencils, notepads, department letterhead, note cards, and envelopes are purchased by the Athletic Business Office. A supply of these items is kept available for all to use in the copy room. Purchases of supplies that are sport-specific should be coordinated with the Administrative Assistants and the Athletic Business Office.
- *Athletic equipment for teams should be coordinated with the Equipment Room Manager.*

PETTY CASH PROCEDURES

Expenditures should be **approved in advance** to insure reimbursement. Expenditures not approved in advance will be reimbursed only if expense is within budget restraints and/or prior approval was not possible. The petty cash custodian is the Accounting Associate, Business Affairs. No expenditures over \$50.00 are allowed and **receipts are required**. *Receipts over thirty (30) days cannot be reimbursed.*

Non-Budgeted Items

Any items that come up throughout the year that are not usual and ordinary, and you feel may cause you to go over budget, must be approved by the Athletic Director or designee.

- Bring the matter to the attention of the Assistant Athletic Director for Business Operations. With his/her assistance, calculate a cost and identify, if any, possible means to fund the non-budgeted item. Please include a brief description of the impact the item's loss and/or addition will present to your area of responsibility.
- Present request, with findings, to the Athletic Director for review.
- Implement decision and notify appropriate personnel of decision.

ProCard Policies and Procedures

DEPARTMENT OF INTERCOLLEGIATE ATHLETIC SPECIFIC GUIDELINES

Please see Athletic Business Office before making any purchases over \$5,000

If you are unsure of the use for your ProCard, please check with Athletic Business Office prior to purchase!

ICA ProCard Recipients Responsibilities:

- It is the cardholder's responsibility to obtain an itemized receipt for all transactions on their card.
- Sign or initial all receipts if customer copy does not show signature.
- It is the cardholder's responsibility to obtain a receipt after every transaction. If there is a case of a missing receipt, the cardholder may be held responsible for the charge if he or she failed to obtain a receipt. When there is a case of missing receipt, the card holder should seek the assistance of the ICA Business Operations Office to obtain a receipt from the vendor.
- A missing receipt can be sufficient cause to revoke a cardholder's use of the ProCard. Three missing receipts in a fiscal year shall result in automatic cancellation of the cardholder's use of the ProCard.
- Denote the purpose, of the transactions on the receipt and department to be charged; i.e. MBK supplies (Men's Basketball supplies), pre-game meal at ISU, post-game meal at ISU, etc.
- Sign or initial all receipts if customer copy does not show signature.
- Turn in all receipts to your ProCard manager as soon as you receive them. Charges are updated at least once a month;
- Notify Athletic Business office of any changes, i.e. NAME, LOST or STOLEN CARDS.
- For each charge on the ProCard, the cardholder must provide all relevant documentation including the receipt. The documentation must answer what was purchased, why and for whom.
- When the receipts provided do not reconcile with the monthly statements, the cardholder shall provide an explanation, obtain the necessary receipts and if necessary, assist in completing a disputed charge form.
- Misuse or non-compliance to State, University, or Athletics Policy or procedures will result in termination of the ProCard.

ProCard for Team Travel

- No preauthorization will be required.
- Each of the designee responsible for team travel will be responsible for carefully monitoring the hotel billing to be sure the charges are correct by approving the bill.

ProCard for Lodging

- Lodging expenses on the ProCard are restricted to the following:
 - The room and room taxes.
 - Official business phone calls with the cardholders initials on the itemized hotel invoice next to the listed phone calls.

- On team travel only, a team entertainment expenses in accordance with NCAA guidelines and the University's ProCard guidelines. An example is one in-room movie for the team on one night.

ProCard for Meals & Food purchases

- It is permissible to use the ProCard during the Official Campus Visits for meals for those authorized to receive a paid meal per NCAA Bylaw 13.7.4.
 - **List the names of those participating on the back of receipt is mandatory.**
- It is permissible to purchase team meals during travel to out of town contests.
- Pre-game training table meals.
 - **List the names of those participating on the back of receipt or an official travel party list is mandatory.**
- Team banquets per NCAA bylaws.
- Other possible uses that require prior approval are occasional food for Student Athlete Advisory Board Meetings and Game Day preparations- Meals for Officials of the game/match only.

No charges are allowed for entertainment of boosters, alumni, or potential donors.

ICA Designated Account Managers Responsibilities:

Maintain a file for pending receipts for each department/or individual cardholder.

- Require ProCard users to submit signed or initialed receipts as they receive them.
- Update Banner transactions (index codes, account codes, activity codes, and descriptions) for their assigned sport or departments.
- Identify and explain any atypical transactions:
 - *Missing receipt* – complete missing receipt form
 - *Credit due* on charge due to overcharge – copy original receipt and keep in file until credit is received from vendor or other action is taken.
 - *Disputed or unknown charge* – notify Business Services (print Banner screen and denote that charge is being disputed).
- Submit all receipts and any substitute documentation to Athletic Business Affairs Office.

ICA Business Affairs Responsibility:

- Determine who will receive a UM ProCard, and authorized spending limits. Maximum amount indicated on your cardholder application.
- Ensure all individuals have a copy of the ProCard policy; verify each transaction in Banner.
- Check receipts for appropriate use. Match receipts with monthly statements from credit card company.
- When the receipts provided do not reconcile with the monthly statements, ensure that the cardholder provides an explanation, obtains the necessary receipts and if necessary assists in completing a disputed charge form.
- File statement and attached receipts in individual cardholders file.
- If an abatement of an expense is required; a copy of the abatement card must be attached to the receipt for the transaction.
- Maintain a log of all disputed charges and expected refunds that are reconciled to the ProCard statements to ensure refund and credits are accounted for in the

proper fiscal year. If necessary, year- end receivables shall be established to reflect accurately fiscal year expenditures.

- Maintain a notebook with list of any cardholders with missing receipts. Review the file basket with ProCard monthly statements with outstanding receipts or other problems every 15-16 days to ensure problems are resolved.
- The Athletic Director or designee shall review and approve all charges verifying compliance with State and University Purchasing and ProCard Policy/Procedures and sign and date the actual ProCard monthly statements in addition to reviewing the Banner reports.

ICA Designated ProCard Managers:

ACCOUNT MANAGER

Football Program Coordinator
Basketball Program Coordinator

Olympic Sports Administrative Assistant
Executive Assistant

Accounting Associate

CARDHOLDERS

Football
Men's and Women's Basketball, Team Trainers
Golf, Soccer, Track, Volleyball
Athletic Director, Associate Athletic Directors, Accounting Associate
Marketing, Facilities, RATC, Equipment Room, Weight Room, ProCard Manager

PLEASE REFER TO THE END OF THE BUSINESS AFFAIRS SECTION OF THIS MANUAL FOR THE COMPLETE UM PROCARD PURCHASING CARD PROCEDURE AND POLICY.

UM Athletic Department Travel Policy

Intercollegiate Athletics follows The University of Montana travel guidelines and is authorized to approve travel and is responsible for the proper use and management of Travel resources and that all travel is in accordance with University Travel Guidelines. The University Travel Guidelines are included in the following pages. In accordance with guidelines set in 1997 and the implementation of the procurement card (ProCard), the amount of cash advanced to individuals and teams are kept to a minimum.

Team and/or group travel may entail the use of more cash disbursed for per diem for the members of the travel party. Per diem must be handed out prior to departure on trips. Each individual is to sign the signature list verifying receipt of the cash. This procedure reduces the amount of cash that is carried by any one individual and reduces the University and the individual's liability in the event of loss or theft.

A majority of the expenses for team travel are now purchased by use of the ProCard. Hotel expense (room & tax), team meals, ground transportation and emergency supplies are authorized expenses on the coaches' ProCard. Itemized receipts are required for all purchases.

With the cooperation and approval of Business Services, Intercollegiate Athletics may use the ProCard for some restricted items as it eliminates the cash liability. It is the responsibility of Intercollegiate Athletics to monitor and verify that all purchases on the ProCard are appropriate and in accordance with State of Montana, University and NCAA policies and procedures.

Reimbursement of actual cost for lodging for travelers is approved by the Athletic Director keeping in line with approved appropriation for the current fiscal year.

Procedures

Traveler's Responsibilities:

Prior to leaving on any athletic business trip, an Authorization to Travel Request form must be completed and given to the Athletic Business Office. This is verification for insurance coverage that travelers(s) are on a designated business trip. The traveler is responsible for completing the requested form and having it approved. An employee advance estimate of out-of-pocket expense must exceed \$100.00.

When Travel includes an advance, the Authorization to Travel Request must be submitted to Business Services six to seven working days prior to the trip. Individual travel advances will be issued via check to the traveler and sent directly to their home residence. Employees with an outstanding travel advance thirty-one (31) calendar days after the end of the trip will have the amount of the advance automatically deducted from their paycheck.

Only allowable expenses may be listed on the Travel Expense Voucher. Un-receipted miscellaneous expenses must be itemized in detail. The traveler may not just claim un-receipted expense without a proper explanation (i.e. newspaper \$2.00, parking \$7.00, programs \$5.00 etc.).

**PLEASE REFER TO THE END OF THE BUSINESS AFFAIRS SECTION OF THIS
MANUAL FOR THE COMPLETE UM TRAVEL POLICY.**

University Transportation Services Rental Vehicles

Rental vehicles are available for official university business through the Transportation Services office.

Vehicle Use Policy Overview

- Drivers of vehicles that can carry 8 or more people must have taken a van training course.
- Family members, pets and friends are not allowed as passengers in vehicles.
- Alcoholic beverages are not to be transported or consumed in the rental vehicles.
- If total accumulated driving conviction points exceed 15, the individual will not be allowed to operate a university or personal vehicle for university business.

Procedure

- Call to check for availability (243-2788).
- Send in completed Rental Request Form (www.facs.umt.edu/Transportation/index.aspx)
- Make sure to take valid driver's license when pickup up the vehicle.

Official Visits State Recruiting Funds

The purpose of the official visit is to expose the prospect to the campus, the community, and the team in order for the prospect to make an informed decision about where to enroll in school. While NCAA rules allow reasonable entertainment, such as meals at restaurants, during the official visit, it is not intended as an avenue for a sports program to entertain family members and friends at these meals. As such, the following policy regarding family members/guests during official visits and the use of state recruiting funds applies:

For meals at restaurants on the official visit, state recruiting funds can only be used for payment of coaches, the official student-host, the recruit, and the parents/legal guardians of the recruit. Family members of coaches may attend the meal; however, either foundation or personal funds must be used for payment of their meals. This policy extends to the use of restaurant facilities for catering or take-out for a meal held at the home of a coach.

Official Prospect Visit Record

An official campus visit by a prospective student athlete is initiated by a coach of any of the 14 intercollegiate sports. The *Official Prospect Visit Record* form is used to document dates, transportation, accommodations, and student host. This form consists of two (2) copies.

1. Sport coach completes the form (filling in ALL appropriate information) and submits to Compliance Officer for approval.
2. The Athletic Business Office records the upcoming campus visit on :
 - a. NCAA Compliance Assistant Software
 - b. Outlook recruiting calendar
 - c. The log for each sport in a designated notebook.
3. Banner coding is verified on the form.
4. An advance is prepared for the host money and transportation reimbursement (if necessary). This is disbursed from Athletics special cash fund. A record of advances is kept in the recruiting notebook and business office special cash fund logs.
5. The **student host** picks up and signs for the cash from the Athletic Business Office prior to the campus visit date. The Host reads the NCAA rules on back of form.
6. The student host must sign off on the back of the original form and verify the activities participated in during the official campus visit within two weeks of visit date.
7. Original white copy of Prospect Visit form is given to Compliance Office.
8. The cash replenishment form is completed and sent to Treasury with yellow copy of recruit form for Banner validation.

Cell Phone Policy

The University of Montana Intercollegiate Athletic Department provides cellular phones for coaches and staff for business purposes. Verizon is our current cell phone carrier. All cell phone requests (devices, plan changes, accessories) must go through the Business Office cell phone manager.

A personalized plan is provided for each phone. The options available are minutes per month, free long distance, voice messaging, caller identification, text messaging and internet access. The cost of the phones, accessories and monthly charges are billed to each sport or department. The total minutes per plan are pooled monthly for the Athletic Department. Periodic audits of each programs cell phone usage will be conducted to determine if plans need to be changed for a more cost effective use.

The use of the State of Montana telecommunication systems for essential personal business must be kept to a minimum, and not interfere with the conduct of State business. Personal use of the cell phone is allowed BUT must be reimbursed to The University of Montana each month. Each person issued a cellular phone will be given a copy of the monthly detail charges for their phone. The percentage of personal calls versus business calls should be figured and recorded on the cell phone usage form. *The cost to the department employee is the percentage of personal usage calculated on the base monthly charge plus tax for their individual phone*

A record will be kept by the athletic business office noting the return of the cell phone usage form. Reimbursement for personal use is requested within ten days of distribution of the monthly charges. Cell phone users are encouraged to return the monthly bills promptly. ***If logs are not returned in a timely manner, the individual will be billed for the total cost of the cell phone as personal use. The privilege of having a cellular phone may be revoked for misuse by the Athletic Director.***

Blackberrys and other PDAs

The Director of Athletics shall approve the purchase of Blackberrys or other PDAs for departmental staff. The individual must demonstrate a working function that necessitates the use of a Blackberry. The maximum number of Blackberrys allowed per sport is the same as the distribution of car stipends. For the allowable number of Blackberrys: all upfront costs for the device (licensing fees, service fees to link to Outlook and the Blackberry unit) shall be paid from private funding sources (i.e., Roundball, Hoop Club, Quarterback Club, etc.); and the Athletic Department will assume the monthly charges for the Blackberry data plan.

Any additional coaches or support personnel beyond the maximum wanting to upgrade to the Blackberry or other handheld email service can do so upon approval by the Director of Athletics, but all costs (upfront and on-going) will be paid via private funding sources.

Athletic Competition Agreements Procedures for Business Office

A written contract is required for all games and/or matches with colleges and universities not in the Big Sky Conference. Both institutions must approve stipulations and have appropriate signatures to validate the contract/ agreement. The coach for each sport contacts or is contacted by potential opponents for future competitions. The Athletic Director usually handles football scheduling.

Contract Procedure

A *Contract Request Form* is completed by the sport and submitted to the Athletic Business Office. The contest date and time are approved by the Facilities Manager of the venue (Adams Center, Washington Grizzly Stadium, South Campus Field or Dornblaser Track). Upon confirmation of date and time, approval is then required by the Athletic Director or Designee.

- Athletic Agreements are prepared by the Athletic Business Office. Two originals are printed on *select* paper.
- Obtain the signatures of the Athletic Director and the Vice President, Administration & Finance (if contract has a monetary game guarantee).
- Mail both originals to visiting school with a return envelope. Keep a copy of the agreement signed by Montana Administrators denoting date mailed.
- Agreements are filed in separate folders for each sport and academic year.
- Date stamp the original agreement upon **return** from visiting school.
- Give a copy for coach and file original in an appropriate file.

It is important to check the Contract files periodically during scheduling to ensure that we have completed agreements (must have signatures of both institutions). Prior to the sport season check the file for any financial guarantees and prepare memo for payment on the date of the contest. The checks are usually mailed directly to the school after the date of competition. There are times when the checks are requested prior to game and given to the team.

For those agreements that have **lodging** as part of the financial consideration and trade rooms are requested, check with the coaches on the dates, number of rooms and nights. Review the trade accounts for availability and call the vendor and reserve rooms. Remember to indicate the number of rooms, team and dates in a trade file. Notify the sports coach where the team lodging arrangements were made with the contact name and phone number.

Athletic agreements for competition at a site other than UM are prepared by the host school. The originals of these agreements are also kept in our files. The Assistant Athletic Director-Business Operations should always be advised of any financial considerations given to Montana teams. Make note of game guarantees and check a few weeks after the scheduled completion that we have received the appropriate amount. Sometimes the checks go directly to Business Services and they will call Athletics to determine the correct deposit procedure.

Trade-Out Agreements

The Department has three basic types of trade-out: Corporate, GSA membership and Tickets to Intercollegiate Athletics (IA) events. All three types may be combined to offer IA and vendors the optimal package for vendors who choose this non-cash transaction. All trade-out must be pre-approved through the formal process described in this policy.

All trade-out agreements shall be updated annually with a listing of the vendors and amount of the agreements given to each member of the executive staff, GSA accounting associate, and Business Affairs personnel.

All trade-outs shall adhere to the following procedures:

- Request the trade, in writing, to the Director of Athletics, providing a clear description that details precisely the benefit of the non-cash transaction.
- Multi-year trade-outs are discouraged. Exceptions are at the discretion of the Director of Athletics.
- Trade-out renewals should be negotiated by June 1 for the following fiscal year. Before that date, estimates can be used for incorporation into the annual Operating Plan and Budgeting cycle.
- Trade-outs involving tickets must be returned fully signed no later than the official start of the applicable sports season. Exceptions are at the discretion of the Director of Athletics.
- All trade-out contracts must have a designated Trade-out Manager, who is responsible for the day-to-day utilization of the trade-out.
- The Trade-out manager will provide a utilization budget that describes either in percentages or dollar amounts the sport or administrative group that will use the trade-out. These amounts will be incorporated in the appropriate budget.
- Ticket trade-out is discouraged unless there is a significant benefit to IA.
- If the normal cash transaction is based on wholesale prices, the trade-out shall also be based on wholesale prices vice an increase to retail prices.
- All trade-out for goods and services shall be at a minimum valued at 135% of the cash value of a sponsorship agreement, GSA membership and/or the face value of a ticket. The Director of Athletics may at his or her discretion lower the amount on a case-by –case basis.
- To determine the fulfillment of the 135% requirement for “services”, the value should be set using reasonable and justifiable rates.
- Vendors must agree to provide itemized receipts or other acceptable documentation of usage for all trade-out transactions.
- All trade-out contracts should include the above details and signed by all parties.

The Athletic Business Office’s Accounting Associate is responsible for generating all trade-out contracts and will route the contracts for signatures.

A rule of thumb is that if you would not be allowed to purchase the goods or services using your budget (State or Foundation funds) you should not purchase the goods or services using the trade-out.

CORPORATE TRADES

Corporate trade is the responsibility of Learfield Grizzly Sports Properties, IA's Corporate Sponsorship Marketing firm. Learfield has the first right of refusal to accept a cash sponsor over a trade-out sponsor.

MGSA MEMBERSHIP TRADES

The Montana Grizzly Scholarship Association has trade-out agreements in the form of gifts-in-kind for goods and services for various levels of membership. The trades are used in all aspects of daily operation of Intercollegiate Athletics and the MGSA. The Executive Director of the MGSA and the Athletic Director approve trade for a membership.

- The Executive Director of the MGSA is the trade-out manager for the gift-in-kind contributions unless designated to another individual in the department.
- The MGSA as a separate organization may not use ticket trade or any trade-out derived from state assets. However, the state employees of the GSA may use trade-out when fulfilling their role as a state-employee, and their actions do not result in a contribution/donation to the MGSA.

TICKET TRADES

Ticket trade-out is discouraged unless there is a significant benefit to IA. Any head coach, member of the executive staff or lead administrator may propose to the Director of Athletics a trade-out agreement with tickets to any sport.

- The Athletic Director will designate the trade-out manager for ticket trade-outs.
- The Adams Center Box Office will not issue tickets as a trade without written approval. This includes increasing the number of tickets in addition to the original signed agreement.
- Documentation is required for all ticket trade, and must be filed in the Athletic Business Office.

TRADE PROCEDURES

All trade-out transactions shall comply with The University of Montana Foundation's purchasing and transaction guidelines. The Department encourages cash transactions to maximum extent practicable.

Business Office Procedure:

- The Assistant AD-Fiscal Operations is responsible for the review and reconciliation of all trade-outs.
- The Accounting Associate is assigned the following:
 - The preparation of all trade-out agreements.
 - MGSA gift-in-kind agreements to cover memberships only are prepared separately on MGSA letterhead.
 - Will route all trade-out agreements for signature to the Trade-out Manager, Executive Director of the MGSA (when required), Asst. AD-Fiscal Operations, and then the Athletic Director prior to sending the contract to the vendor.

- Upon return of the fully signed contract, a copy will be delivered to the Trade-out Manager and if tickets are part of the trade, a copy of the agreement is forwarded to the Adams Center Box Office.
- The UM Foundation will receive a copy of each MGSA gift-in-kind agreements to ensure donor recognition.
- Maintain a folder for each vendor that will include a running usage sheet, the original signed contract, the utilization budget, and the original itemized receipts or documentation of usage. Trade files shall be kept for 7 years.
- Review each request for trade-out to ensure a balance is available before sending the individual to the trade-out manager for approval.
- Create spreadsheet with trades budgeted to department/sport.
- Work with vendors to ensure accurate, itemized receipts and statements are in each folder to confirm the standing of each account.

Trade-out Manager's Responsibilities:

- The designated Trade-out manager is responsible for submitting a detailed description in writing to the Athletic Director.
- Provide a utilization budget for review by the Department's Budget Committee.
- Ensure that all trade-out transactions follow University and Foundation regulations.
- Review annually the benefit of maintaining the trade-out agreement.
- Assist the Business Office in obtaining all records necessary to account accurately for the utilization of the trade-out.

Individual Utilizing Trade-out Procedure:

- Check with the Business Office for available balance on the particular account.
- In all instances itemized documentation indicating the date and amount of the trade used **are essential**.

For Restaurant trade-out:

- Secure reservation(s) at the restaurant, confirming that trade-out will be used for the meal.
- List everyone attending the meal.
- Provide a purpose for the meal.
- No alcoholic beverages are to be charged against trade.
- Return with an itemized receipt.
- Do **NOT** include tips in meal trade-out transactions. Tips must be paid for separately. For official recruiting meals, the ProCard may be used. Otherwise, a personal reimbursement will cover the expense of a tip.
- For lodging trade-out:
 - Certificates are issued by the hotel each valid for one room/one night.
 - Secure reservation(s) at hotel; check out (**signature required**) certificates and present to hotel upon arrival at the hotel.
 - Return with a receipt.

Additional Procedures

- The Athletic Director and Associate Athletic Director will establish budgets for all trades at the beginning of each fiscal year.

- The Business Office will closely monitor the use of food and hotel trade. If an official prospect visit form indicates use of a hotel, the sport will be encouraged to use trade if available.
- Many of the trade-out agreements can greatly benefit sports programs, especially the meal and hotel trades to help augment recruiting efforts. As such, personnel are encouraged to use trade at every opportunity. If a sport has knowledge of a trade and uses departmental funds (cash) instead of the trade, the first instance will result in a warning. In the second instance of not using trade, the sport must use Foundation funds. For example, there is trade available at the Depot. The sport program takes a recruit to the Depot and pays for the meal with a ProCard instead of the trade. This event would result in a warning in the first instance, and after that, reimbursing the state account for the meal with Foundation funds.

Special Cash Fund Policy and Security Procedures

Effective: 2/14/02; Revised: 9/20/05

Background

All UM sports programs participate in group- or team-travel. Such travel requires cash advances to pay for costs that are not covered by the Pro Card or by separate billing. As a result, the athletic department business office staff draws several thousand dollars in cash each week from UM Business Services to meet the needs of the programs when they travel. This is especially true during the fall semester when the men's and women's basketball, football, soccer and volleyball programs all are traveling.

To ensure the safety of the athletic business office staff and the security of cash advances, UM Treasury Services shall establish an Intercollegiate Athletics Special Cash Fund (hereafter, Fund) of \$10,000 for the fall semester and \$6,000 for the spring semester. The Fund shall function similarly to a petty cash fund, and shall consist of monies drawn from the State of Montana Treasury. The Fund shall be housed in the athletic department's business office, be replenished weekly, and be subject to the policy and procedures outlined below.

Policy

- (1) The Fund shall be used only to pay athletic department travel advance vouchers in accordance to and in agreement with the uses approved by UM Business Services. The UM Travel Advance Voucher is the approved instrument for advancing cash for athletic department travel (team), prospective student-athlete travel reimbursement, student-athlete host money, and per diem for student-athletes during official UM holidays and vacation periods when athletes are required to be on campus for practice and/or competition. The cashing of checks, issuance of loans, providing of compensation to athletics department employees, payment of consulting services, entertainment, contractor services, or any other non-travel related expenditure shall not be paid from the Fund.
 - (a) The prospective student-athlete official visit form shall be used as documentation for host money and travel reimbursements for official recruiting visits.
 - (b) The holiday/vacation meal signature list shall be used as documentation for per diem disbursements.
- (2) The Fund shall be secured in a safe, bolted to the floor in the athletic department business office. The safe shall remain locked at all times when the Fund is not in use. The door to the business office shall be locked at night, on weekends, and at all other times when the office is unattended.
- (3) The safe may be used to secure checks and cash for deposit in athletic department accounts at UM Business Services or the University Foundation. These items shall be maintained in separate, labeled envelopes. A receipt shall be issued for all cash that has been deposited by the athletic department business office, and the business office's receipt of all checks shall be recorded in a log. Every attempt will be made to deposit cash and checks on the same day they are received. Same-day deposits may not be possible if cash or checks are brought into the business office after 3 p.m.
- (4) The Fund shall be physically separated from all other monies that may come into the athletic department business office so that accountability can be immediately ascertained. The Fund shall be divided into two separate banks (i.e., lock bags), one for the accountant and one for the accounting tech. Other monies that may come into the business office shall not be used to increase the balance of the Fund.
- (5) Records of the Fund shall be made available to UM internal auditors, legislative auditors and UM treasury representatives upon request.
- (6) The director of athletics or his designee shall designate a custodian of the Fund and identify other athletic department staff members who may have access to the Fund. The names of the custodian and individuals permitted to access the Fund shall be communicated to UM Treasury Services. UM Treasury Services also shall be notified of any change of custodianship of the Fund and individuals who may access the Fund.

- (7) If a shortage or theft of funds should occur, all discrepancies shall be documented and reported to the Department of Campus Safety, the UM Internal Audit Office, and UM Treasury Services. Shortages shall be replenished as soon as possible by check at UM Treasury Services, and will be an expense charged to the athletic department. Overages shall be separated from the Fund and deposited with UM Treasury Services. UM Treasury Services shall notify the UM Internal Audit Office of any overages.
- (8) Misuse of the Fund may result in the termination of the Fund.

Procedures

(1) Change in Custodianship

All changes of custodianship of the Fund shall be communicated to UM Treasury Services via the Notification of Custodial Change form. (This form is available on-line.) A representative of UM Treasury Services shall inform the new custodian of the Fund's policies and procedures.

Athletic department staff requesting travel advances shall complete the Request for Travel Advance form and forward it to the athletic business office. The business office shall complete the Travel Advance Voucher and obtain the required authorization signatures. Finally, the traveler must sign for the advance in the business office, and the advance shall be paid from the Fund by the custodian or another individual authorized to access the Fund.

(2) Group or Team Travel

All members of the travel party shall sign a group travel signature sheet upon receipt of their advance. The signed Travel Advance Vouchers and the team travel signature sheet shall be maintained in the safe with the Fund. Each traveler receiving per diem verifies receipt of specified amount with his/her signature. No one may sign for another person's per diem.

(3) Reimbursement Procedures

The athletic department accountant shall replenish the Fund as needed, but no less than on a weekly basis.

The custodian of the Fund or his or her designee shall summarize the accounting information from the team travel vouchers on the cash replenishment summary form, and conduct a reconciliation each time the Fund is replenished.

The travel vouchers and cash replenishment summary form shall be presented to UM Treasury Services to be entered into Banner and exchanged for cash.

Because UM Treasury Services needs one business day to process the travel vouchers and fill the currency request, the cash replenishment and all receipts shall be delivered to the Adams Center Box Office the following day by armored car service. If cash replenishment is needed on an emergency basis, the Business Office personnel shall have another person or campus security escort them from Treasury to Adams Center.

UM Foundation Accounts Accounting and Gift Processing

Setting up a new account

New accounts at the Foundation should be established in cooperation with the development director responsible for the constituent group seeking a new account. All accounts, with the exception of scholarship funds, require signatory cards. As new faculty or staff members are hired or changes are made as to who will be signatories of such funds, it is the responsibility of the department or school to inform the Foundation so new signatory cards can be prepared and signed. Signature cards are available and kept on file at the Foundation's accounting office.

Account types

Agency or custodial accounts are accounts for which the Foundation acts as an agent for another separately incorporated 501(c)(3) organization which exists to benefit the University. The Foundation also acts as an agent for assets that are managed for the benefit of UM, but are not owned by the Foundation. The Foundation will not act as an agent for an organization unrelated to the University.

Current accounts are accounts established for current funds available to be spent upon short notice. Examples of such funds are University unrestricted or University restricted funds. These funds can be spent upon presentation of a completed Request for Withdrawal of Funds Form, signed by the account signatory, for a purpose within the general guidelines of the Foundation and the University. A current account does not accrue interest. Funds termed University unrestricted are donor designated to and disbursed at the discretion of a particular school, department, or program **and** for a specific purpose.

Endowment (true) accounts are accounts for specifically designated funds in which the corpus of the fund is perpetual and income only is expended for the restricted purpose of the fund. Such funds must have a balance of \$20,000 or more. An endowed fund is invested for growth. Currently, net appreciations of up to 4.25 percent of a moving three-year average market value of the fund are expendable annually.

Term Endowments are specifically designated funds in which the corpus of the fund is to be preserved until a future event occurs and until such time, net appreciation only is expended for the restricted purpose of the fund. Only the donor can establish this restriction. Such funds must have a balance of \$20,000 or more.

Quasi-Endowments are restricted or unrestricted funds with or without a specific designation in which the corpus of the fund is to be managed as if perpetual, but can be spent in part or in its entirety, in addition to net appreciation, for the designated purpose of the fund. The donor, dean, or signatory, can establish this type of fund. Such funds must have a balance of \$20,000 or more.

Term accounts are current accounts established for restricted sources of dollars, which are current funds but will not necessarily be spent immediately. Examples of such funds are University restricted funds designated for special purposes or uses extending over a period of more than one year. Term accounts are eligible to earn interest (1% above

passbook) if an average minimum balance of \$10,000 is maintained throughout the year. Designation for term accounts is not automatic but must be requested in writing.

How to spend money from UM Foundation accounts

Disbursement of funds from Foundation accounts must be in accordance with UM Foundation and University guidelines (see UM Foundation Disbursement Guidelines below). Accounts must have adequate funds available. When requesting disbursement, a Foundation Request for Withdrawal of Funds form, available from the Foundation office, must be submitted to the Foundation for approval and payment. When the payee and authorizing signatory for the account are one and the same, the payee's immediate supervisor must approve the request. Certain distribution requests (as noted in the Guidelines below) require approval by senior campus administrators, to include the appropriate dean, University Vice President, or University President.

Upon receiving a request form, Foundation accounting staff reviews the request and verifies signature(s) and other applicable information. Any questionable requests are referred to the Foundation President or the Vice President for Operations for approval or follow up.

Disbursements will be made according to the Foundation's disbursement schedule. Requests received by the Foundation by Wednesday at noon normally will be paid on Friday afternoon.

The Foundation will release information concerning Foundation-held departmental accounts to authorized personnel only. In general, information regarding a departmental account is released to the following: appropriate Foundation personnel, the signatory for the account, and designees of the signatory (such designations must be made in writing). In addition, those persons within the department with authority above that of the signatory are generally authorized for access to account information. The University President, Vice President, Provost and others with universal authority may have access to all departmental accounts. When the request for information comes from a source not specifically identified in this policy, or is deemed unusual, it must be cleared through the Foundation President or Vice President for Operations before information is released.

UM Foundation Disbursement Guidelines

Allowable disbursements are for expenses incurred in keeping with the Foundation's mission of supporting The University of Montana with private resources. Donors provide funds to the Foundation with the expectation that those funds will be used to support University of Montana programs. The appropriateness of an expense should be considered before incurring it, and before requesting reimbursement from a Foundation account. Before disbursement, the Foundation reviews all requests to verify that the request is consistent with the stated intent of the donor. Unusual circumstances are to be cleared through the Foundation President or Vice President for Operations before the expense is incurred.

General Expenditure Categories

Foundation guidelines for determining allowable uses of Foundation funds include, but are not limited to, general expenditure categories as follows:

1. **Salary/wage/award, moving expenses, or other payments**

Support for compensation, awards, or moving expenses for a University employee is allowed. Payment will be processed through the University Payroll Office and funds will be transferred from the Foundation to the appropriate University account. Direct payment to faculty, staff, students, and/or other full or part time employees of the University is not allowed. Payments to all non-US citizens are at the discretion of The University of Montana Foundation because special Internal Revenue Service regulations apply. If approved, these payments will also be processed through the University Human Resource Services office.

Payments for country club dues, spousal or other family member travel or other payments that are deemed as compensation by the IRS are not encouraged but are allowed with authorization from the immediate supervisor. Request for such payments will initiate notification of the University's Human Resource Service offices and the amount will be included as compensation on the employee's W2 form as appropriate.

2. **Honoraria, consulting fees, or contracted services**

Direct payment of an honorarium, consulting fee, or contract for services is allowed provided the individual receiving payment is not an employee of the University. If the individual is a University employee, refer to category 1. Payments to eligible individuals represent taxable income to the recipient and as such the social security number and current address of the payee must be provided at the time payment is requested. A request for payment to an independent contractor must include a completed and signed Contracted Services form, available on the UM Business services web site at: <http://www.umt.edu/bussrvcs/forms.htm>

3. **Entertainment expenses**

Reimbursement of expenses incurred for entertaining guests of the University is allowed when approved by senior campus administrators, as noted above. Reimbursement is limited to expenses incurred for travel, food and lodging of guests and the associated expenses for the University employees accompanying the guests. Requests for reimbursement for entertainment expenses must include itemized receipts and list those individuals (including staff) who were present. Gratuity is limited to 20 percent.

4. **Receptions, events, etc.**

Reimbursement for or payment of expenses incurred for activities such as receptions or events is allowed, provided the function is in conjunction with University related activities and has approval from senior campus administrators. If payment for alcohol through UC Catering is required, the UM alcohol approval form must be signed at UC Catering prior to the event.

5. **Gifts**

Reimbursement for purchase of reasonable gifts \$100 or less, is allowed. Reimbursement for gifts above this amount must be approved by the President of the University. Requests for reimbursement must include the reason for the occasion or gift purchase.

- 6. Contributions or donations to other non-profit organizations**
Contributions to other non-profit organizations are not allowed. A memorial donation, however, may be made in the place of flowers sent for a funeral.
- 7. Association or service club dues**
Payment for individual faculty/staff members' association or service club dues is allowed with the approval of the immediate supervisor.
- 8. Faculty and staff travel**
Reimbursement for receipted expenses for lodging and meals is allowed. If a receipt is lost for an expense of \$10.00 or less, the traveler may estimate the expense to be reimbursed. Original receipts are required for all expenses over \$10.00. The traveler may choose to submit receipted expenses **or** claim per diem (at University rates) for lodging and meals. Mileage will be paid at the state rate or actual out of pocket gas expenses will be reimbursed for fuel expended on the trip. "Unreasonable" travel expenditures as defined by the IRS or as otherwise prescribed by law are not allowed.
- 9. Requests for travel advances**
Travel advances are allowed and must be received by the Foundation in accordance with disbursement schedule prior to travel. A copy, marked as such, of the original Request for Withdrawal of funds form and original receipts are required to clear the advance upon return. Only one outstanding advance per person is allowed and it must be cleared within 30 days of travel. The Foundation President or the Vice President of Operations must approve exceptions.
- 10. Magazine subscriptions or other publications**
Payment for magazine or other subscriptions or publications is only allowed when directly related to department teaching, research, and/or public service activities. Subscriptions must be mailed to a University department or office or to a UM library.
- 11. Supplies and capital equipment**
Purchase of supplies and capital equipment used for teaching, research, and/or service activities is allowed. Capital equipment is currently defined by the University as those items costing \$5,000 or more and having a useful life of one year or more. Purchases of capital equipment do not have to be made through the University purchasing system.

Title to and inventory control of capital equipment purchased from Foundation funds is automatically transferred to the University at the time of purchase, unless specifically indicated otherwise by the Foundation. Equipment purchased from Foundation funds will be recorded and labeled as a part of the University Fixed Asset System.
- 12. Student scholarships and awards**
Funds for payments to students for scholarships or awards are transferred to UM as requested by the University. Direct payments to students are generally not allowed. If direct payment to a student is necessary, the check will be

made out to The University of Montana and the student, and will be sent to the Financial Aid Office and is then forwarded to Griz Central for distribution to the student.

13. UM agency funds

Agency funds sent from The University of Montana to The University of Montana Foundation cannot be directly expensed from the Foundation. Payment requests must direct the funds to an index account held at The University of Montana Business Services office. That office makes the expenditure based on University of Montana guidelines.

14. Other

Uses of Foundation funds not directly related to the above categories, or relating to unusual circumstances, should be cleared through the Foundation President or Vice President for Operations before incurring the expense.

It is the intent of this policy to provide general guidelines with regard to the expenditure of funds donated to the UM Foundation for the benefit of the University. It is not meant to list every possible allowable or non-allowable expenditure as it is presumed that University personnel will at all times, respect their fiduciary and ethical responsibility to the donors who have contributed these funds in support of the University's mission. Any expenditures that are for personal benefit or use are not allowed. Common sense and good business ethics dictate that such things as payment of traffic or parking fines, purchase of cultural or athletic tickets for oneself or other University personnel or students are not allowed. When questions arise as to the appropriateness of an expenditure, it must be cleared through the Foundation President or Vice President for Operations before the expense is made. It will not be honored after the fact.