



**UNIVERSITY OF NORTH CAROLINA SCHOOL  
OF THE ARTS FOUNDATION, INC.**

**SPENDING POLICIES**

**1. PURPOSE**

The University of North Carolina School of the Arts Foundation, Inc. (Foundation) was established to support the education and professional training of the students of the University of North Carolina School of the Arts (School).

All of the gifts and grants received by the Foundation come from private sources and these Spending Policies are designed to ensure that expenditures of the donated funds are consistent with the Foundation's mission and the wishes of the donors and comply with legal regulations and sound fiscal policies and procedures.

**2. ESTABLISHING SPENDING POLICIES**

The Foundation's board establishes these Spending Policies for the Foundation and will modify the Spending Policies as necessary. These Policies are adopted following consultation with the Vice-Chancellor(s) and/or Chancellor and the Vice-Chancellor(s) and/or Chancellor shall be consulted regarding any future modifications.

**3. POLICIES APPLICABLE TO FOLLOWING CATEGORIES**

The Policies apply to the following categories of expenditures:

All expenditures of unrestricted funds including operating expenses of the Foundation and the School's advancement department's expenses

All expenditures of temporarily restricted funds and endowed funds

**4. GENERAL GUIDELINES**

All expenditures must be for the purpose of benefitting the School and reasonable and prudent in relation to the expected benefit.

Discretionary funds, whether unrestricted or temporarily restricted, must comply with these Spending Policies. (See exception for Chancellor's Discretionary Fund on next page)

#### 4. GENERAL GUIDELINES – CONTINUED

All expenditures of temporarily restricted and endowed funds must comply with the specific use(s) for the donation or grant designated by the donor or grantor. If the donor or grantor doesn't specifically set out spending policies, the Foundation's General Guidelines set out in these Spending Policies will apply. All expenditures must be documented as required by these Spending Policies.

If an employee of the School is authorized to **commit** to an expenditure that will be paid from Foundation funds is concerned about the propriety of the proposed expenditure or is concerned that the proposed expenditure may not be consistent with the intent of a donor or grantor, the employee should request the approval of the proposed expenditure by the appropriate Vice-Chancellor(s) or Chancellor and the Executive Director of the Foundation **prior to making the commitment**.

The Foundation Executive Committee, in consultation with the appropriate member of the School's Vice-Chancellor(s) or Chancellor must approve expenditures that would exceed the balance in a temporarily restricted fund **prior to the commitment to incur the expense**. If a party refuses to approve a proposed expenditure, the reason should be given in writing to the person requesting the expenditure.

The Chancellor's Discretionary Fund is governed by instructions received annually from the School's Board of Trustees and, therefore, is not subject to any of the restrictions or requirements of these Spending Policies except that all expenditures from this fund must be documented as required by these Spending Policies.

**Every effort should be made to use state funds when they are available.**

#### 5. FOUNDATION'S RESPONSIBILITY FOR APPROVING EXPENDITURES

The Foundation is responsible for reviewing all requests for expenditures to determine that they comply with these Spending Policies and, if from temporarily restricted or endowed funds, with the donor's or grantor's written uses.

If, in the judgment of the Foundation's Executive Director, these Spending Policies or a donor's/ grantor's written uses are not complied with, the Foundation will return the documents to the authorized approver with a written explanation of the reason the request cannot be paid. The request for payment can be resubmitted to the Foundation once the reason for non-payment has been satisfied. If the Foundation's Executive Director and the authorized approver (see part 6) are unable to agree on whether or not the expenditure can be made based on the documents submitted,

then the Foundation’s Finance Committee will review the request. Payment cannot be made without the written approval of the Foundation’s Finance Committee.

All requests for reimbursement to an employee for travel, meals, entertainment and similar expenses must be received by the Foundation **within 45 days of the end of the event, trip, etc.** for which the expenses were incurred. If the request is not received within that time period, reimbursement will only be made if the request is accompanied by an explanation satisfactory to the Executive Director of the Foundation and signed by the appropriate member of the Vice-Chancellor(s) or the Chancellor.

#### 6. PERSONS AUTHORIZED TO APPROVE EXPENDITURES

REQUESTING EXPENDITURE	AUTHORIZED APPROVER / APPROPRIATE MEMBER
Chancellor	Vice-Chancellor of Finance & Administration or Chief of Staff based on annual authorization by the School’s Board of Trustees
Members of School’s Vice-Chancellor(s) (VCF&A, VCA, COS, and EVC/Provost)	Chancellor
Deans	EVC/Provost
All employees reporting to the Dean of each school (including high school)	Dean and Provost
Employees reporting to Vice-Chancellor(s)	Appropriate Vice-Chancellor(s)

When the terms “authorized approver” or “appropriate member of the Vice-Chancellor(s) or Chancellor” are used in this document they are referring to the person(s) holding the titles referred to in this chart.

Each of the previously mentioned positions may name two people with signature authority on their behalf in their absence. A written document shall be submitted to the Foundation, naming the designated person.

For all expenditures that require pre-approval/ prior approval, a copy of the pre-approval and the budget if required must be sent to the Executive Director of the UNCSA Foundation at the time of pre-approval/ prior approval.

## 7. GENERAL REQUIREMENTS FOR DOCUMENTATION OF EXPENDITURES

### UNCSA Foundation Check Request

Original invoices (Unless UNCSA has the original due to a partial payment and a copy of the payment from UNCSA must be submitted with the invoice.)

Copies of contracts or agreements

For personal reimbursements, including travel and entertainment expenses:

The Foundation's forms found on the School's web site @ <http://www.uncsa.edu/formsprocedures> fully completed, including all required approvals, must be used

Date and nature of each individual expenditure: For instance, 7/14, Lunch at The Tavern, John and Mary Jones re possible endowment; decorations for donor event on 7/14, etc.

Original receipt, when a receipt is normally available or can reasonably be obtained

For reimbursement of expenses when an original receipt is missing, a Missing Receipt form must accompany the request.

If an expenditure is to be made from a Temporarily Restricted or Endowment fund, the name of the fund must be designated.

## 8. INSURANCE FOR GUEST ARTISTS AND RENTAL CARS

Workers' Compensation Insurance is carried on all guest artists and guest speakers and is paid using Foundation funds. Every effort should be made to obtain insurance certificates for any guest artists/speakers that carry their own insurance.

Rental car insurance for guest artists and guest speakers paid using Foundation funds is provided under the Foundation's Commercial General Liability Coverage.

All UNCSA employees needing a rental car should use state funds, since the state carries rental car insurance for employees. The state carries travel insurance on employees also, so no Foundation funds will be used for domestic travel insurance. International travel insurance for students, faculty, and staff is now required by the UNC system. All out-of-country travel (including Alaska and Hawaii) must have an approved travel authorization by the Chancellor.

## 9. EXPENSES THAT WILL NOT BE REIMBURSED

Foundation funds may not be used for:

- 1) Purchase flowers or gifts for a staff member's birthday, wedding, birth of children, first day of employment, holidays, or special recognition days such as Administrative Assistant Day.
- 2) Payment for memberships in non-job related professional societies, air travel clubs, health club memberships, or hotel amenities such as movies, or mini-bar purchases in a hotel room.
- 3) Personal support such as clothing, household items, or medical or personal services such as massages, cosmetics, or hair care. The student special needs fund is exempted from this stipulation.
- 4) Payment of fines or parking tickets. Foundation funds cannot be used to pay for finance charges and late fees.
- 5) Making political contributions.

## 10. GRATUITY

Foundation funds can be used to pay for a gratuity of up to 20% of the total bill, except in the event that a contract defines a larger gratuity for a specific event the gratuity may exceed 20%. All receipts that are submitted for reimbursement when a gratuity is given must include a list of the individual charges. If a gratuity is included in the bill, no additional gratuity will be reimbursed.

## **11. SPECIAL RULES FOR ALLOWABLE EXPENDITURES SUBJECT TO COMPLIANCE WITH PARAGRAPHS 1-10**

### 11. A. TRAVEL

When traveling an employee is expected to use the lowest cost alternative unless there is a valid business reason to do otherwise. It is always in the employee's best interest to document the reason for using a more expensive mode of travel.

**AIRFARE:** Generally the Foundation will only pay for economy/coach class fare. Any seating within this category is acceptable and fees associated with changes in this

category are allowable. However, if preapproved (see paragraph 6), the Foundation will pay for business/first class fare under the following circumstances:

- 1) Business or first class to the extent required because of reasonable accommodations for a disability
- 2) Business or first class in order for an administrator/advancement representative is accompanying a major donor or dignitary who is flying business/first class
- 3) Business class if available or first class if not available for School employees if required to travel outside the continental United States

Mileage to and from the airport and airport parking fees will be reimbursed.

The differential in cost for flying out of a local airport versus the lower cost of traveling to another airport should be considered, i.e. is the cost of driving to Charlotte or Raleigh cheaper than flying out of Greensboro.

**TRAVEL USING PERSONAL VEHICLE:** The employee will be reimbursed at the approved IRS rate based on miles traveled. (Reimbursement will not be made based on gas receipts.)

When traveling out of state, the employee must verify that using their personal vehicle is less expensive than using alternative forms of travel. Reasons for using their personal vehicle might include:

- 1) visiting multiple donors that could not reasonably be made using alternative means of travel
- 2) transporting materials needed during the trip such as presentation materials
- 3) multiple employees will be traveling together

Reasonable judgment must be used in determining that the number of donors to be visited en route to the final destination is sufficient or other valid business reasons justify the use of a personal vehicle when that is the most expensive mode of travel.

**TRAVEL USING A STATE, RENTAL OR COURTESY CAR:** Receipts for gas will be the basis for reimbursement.

#### 11. B. GUEST ARTISTS, GUEST SPEAKERS, INVITED GUESTS, AND ADJUNCT FACULTY

Every effort should be made to have independent contractor's expenses negotiated into the fee that is contracted for services (See Independent Contractor Guideline Worksheet). If approved in advance, Foundation funds may be used to pay for business/first class airfare if required by a guest speaker or invited guest. Foundation

funds can be used to pay the state per diem rate for the meals and for reasonable lodging costs for guest speakers and invited guests.

Foundation funds cannot be used to pay for auto travel or airfare for an adjunct faculty member for travel to take up residency to teach or to return to his/her normal residence nor will any other expenses associated with taking up employment be paid. If the adjunct faculty member requests these items, it should be negotiated into their contract and submitted to the state.

An honorarium is a "thank you" gift to a guest speaker, performer or other individual who, at no charge, provides a service. It is not a negotiated amount. No honorarium payments may be made to current permanent, part-time, full-time or temporary employees, independent contractors, or consultants. Honorarium payments are limited to a maximum payment of \$1,000.00 to an individual in one fiscal year.

The Foundation does not have access to a software system that produces the correct forms for international guest artists, nor is the Foundation set up with the IRS to withhold funds from non-US citizens. Therefore, international guest artists should be paid by the School and, if appropriate, the School may be reimbursed by the Foundation.

The Foundation cannot pay students directly, with the exception of direct expense reimbursement. All students must be paid by the School and, if appropriate, the School may be reimbursed by the Foundation.

Passports or Visas are the responsibility of the guest artist, guest speaker, performer or temporary employee. The cost of obtaining a passport or visa should be negotiated as part of the contract price or salary. Fees associated with rushing a passport or visa will not be paid from Foundation funds.

#### 11. C. MEALS AND LODGING

All reimbursement for meals and lodging will be at the current state per diem rate or for actual cost if original itemized receipts are submitted. School employees traveling on School business will be reimbursed for meals and lodging. If receipts are missing, a Missing Receipt form can be completed to request reimbursement for actual expenses. Reimbursements must be prudent and reasonable based on the circumstances and the particular city in which an employee is visiting.

When not traveling, faculty and staff members may be reimbursed for meals under the following circumstances: employees are required by their supervisors to work extra hours that are above and beyond their traditional work schedule for weeknights and weekends; when extra hours are the result of campus auditions; special events not part of a regular rehearsal or production schedule or other special circumstances.

School employees will be reimbursed for meals under the following circumstances: dinner will be reimbursed when required to work after 8:00 PM and lunches will be reimbursed when the employee is required to work 6 or more hours on a Saturday, Sunday or School Holiday.

Faculty and staff will be reimbursed when participating in a breakfast, lunch or dinner as part of a faculty or staff search.

Deans, members of the Advancement staff that may have specific Discretionary Funds (i.e. Alumni Director) and members of the Administration may be reimbursed out of their Discretionary Funds for meals and recognition events with faculty and staff. One celebratory event (ex: Christmas party or End-Year party) per fiscal year will be allowed to show appreciation to the faculty and staff.

Before a party can be scheduled, an agenda and budget for the proposed event must be submitted for approval (see paragraph 6).

In lieu of a traditional hotel, employees may be reimbursed for third party lodging, which includes most non-hotel facilities and those rented out via sites like Airbnb and VRBO. A signed agreement between the University Traveler and the Third Party Lodging establishment is required. As long as lodging does not exceed \$150.00 per night, no additional documentation will be required. If the lodging equals or exceeds \$150.00 per night, documentation must be obtained with evidence of a savings by using the third party.

Third party lodging agreements are not allowed among family members or where such agreements or payments create a financial conflict of interest to the traveling employee or other agency managers or employees. Third Party Lodging lease agreement with other entities in which an employee or a family member has an interest is prohibited.

All details regarding the arrangement, including the amount to be charged, the length of stay, projected cost savings compared to standard lodging rates and contact information must be provided. A signed rental agreement, or a reservation and receipt must be presented to receive reimbursement.



#### 11. D. CREDIT CARDS

The Foundation will not pay credit card companies directly (unless the credit card is in the name of the UNCSA Foundation). Expenses must be submitted to the Foundation for reimbursement and the checks will be written to the employee that incurred the expense. It is the responsibility of the card holder to make sure that the credit card is paid in a timely manner.

#### 11. E. FACULTY / STAFF RETREAT POLICY

Any member of the School's Vice-Chancellor(s) or Dean may use Foundation funds to pay for an annual staff or leadership retreat. These funds must be in a Foundation Fund assigned to the respective Vice-Chancellor(s) member or Dean. The funds can be used to rent a meeting space, to provide for a lunch or other limited meal(s), provide supplies, snacks for the meeting, hire a facilitator or guest speaker, and pay for parking for employees. Consistent with School policy, no alcohol shall be served to employees during breakfast or lunch; alcohol may be offered for dinner.

Before an event can be scheduled, an agenda and budget for the proposed event must be submitted for approval (see paragraph 6).

#### 11. F. FACULTY / STAFF RETIREMENT/SEPARATION PARTY POLICY

Foundation funds may be used to pay for a party for a School or state employee who is retiring or leaving the School. Before this event can be scheduled, an agenda and budget for the proposed event must be submitted for pre-approval to the appropriate member of the Executive Council (see paragraph 6).

#### 11. G. ALCOHOLIC BEVERAGES

Foundation funds may be used to pay for alcoholic beverages for pre-approved events associated with fundraising, recognized events such as the Board of Trustees dinners, faculty and staff retreats, and entertainment of School guests. All use of Foundation funds for this purpose must abide by laws ensuring that minors are not consuming alcoholic beverages and that appropriate permissions from local authorities have been granted to serve alcoholic beverages. The School's policy regarding the appropriate serving of alcoholic beverages at School events must be complied with.

#### 11. H. CEREMONIAL ATTIRE

Foundation funds can be used for the purchase or rental of academic regalia for senior officers or other staff and commencement guests.

#### 11. I. REGISTRATION FOR CONFERENCES, MEETINGS, AND SPECIAL EVENTS

Conference registration included in a development grant by the School to a faculty member or attendance at a meeting for the professional development of a faculty or staff member is an appropriate use of Foundation funds.

#### 11. J. TICKETS AND OTHER ADMISSION COSTS

If a ticket or other admission cost is associated with an event or a faculty grant, this cost will be reimbursed with Foundation funds.

#### 11. K. FLOWERS AND GIFTS

Foundation funds may be used for flowers or gifts for the following:

- 1) retirement gifts
- 2) employee awards
- 3) employee hospitalization
- 4) congratulatory gifts to students or alumni
- 5) receiving honorary doctorates
- 6) Members of Board of Governors
- 7) Members of Board of Trustees
- 8) Members of Foundation Board
- 9) Other significant figures in the life of the School or the state
- 10) And other limited preapproved circumstances

Foundation funds may be used to purchase holiday gifts for donors as well as flowers and decorations for donor events.

Flowers for funeral services can be purchased with Foundation funds if the deceased was:

- 1) An employee of the School or a direct relation to the employee (Grandparents, Parents, In-laws (Parents or Siblings), Spouse, Siblings, Child, or Grandchild)
- 2) a donor
- 3) an alumni
- 4) a member of various governing boards
- 5) other significant figure in the life of the School or the state.

Foundation funds up to \$100 may be used as a donation to a non-profit or charitable organization in lieu of flowers for a death.

## 11. L. MOVING EXPENSE

Moving expenses will only be reimbursed to UNCSA. UNCSA will add the moving expenses to the employee paycheck in order to withhold taxes at the time the money is paid to the employee. Foundation funds may be used to reimburse UNCSA up to the allowable amounts listed below.

**MULTI-YEAR CONTRACT FACULTY AND EHRA-NT EMPLOYEES AT THE DIRECTOR LEVEL OR ABOVE** – The Foundation will allow up to \$5,000 for moving expenses

**EHRA SAAO TIER I** – The Foundation will allow up to \$20,000 to be paid directly to the employee for moving expenses, if the employee is moving within the United States (excluding Alaska and Hawaii). Up to \$30,000 to be paid directly to the employee for moving expenses will be allowed for any move from out-of-country (including Alaska and Hawaii).

Prior approval of moving expenses must be obtained by the appropriate authority and included in the employee's hiring contract. (See paragraph 6).

## 11. M. DONATIONS OR CONTRIBUTIONS

Foundation funds can be used to make contributions to non-profit organizations if a substantial School purpose can be demonstrated. For example, the purchase of a table at a fundraising event or the purchase of advertising space in a program, brochure, or newsletter that promotes the School is allowable.

## 11. N. SPOUSE/SIGNIFICANT OTHER TRAVEL AND MEALS

There are occasions when the spouses/significant others of a Dean and Vice-Chancellor(s) members may be needed to assist the School and act on behalf of the School. In these circumstances and with prior approval (see paragraph 6), Foundation funds may be used to cover travel and meal expenses and/or event expenses as allowed by these policies for that spouse and/or significant other. All spousal travel requests must be accompanied by a statement from the requesting department that details the expectations of the spouse and the benefit of their attendance at the event(s).

Foundation funds cannot be used to pay for an employee's spouse/significant other to dine with search committee members unless the employee on the search

committee is at dean level or higher and will only be paid for if prior approval has been obtained.

The Chancellor has the authority to grant permission on an annual basis the authority to pay for the spouse and/or significant other of the Chief Advancement Officer to accompany him/her on donor dinners/travel/events.

#### 11. O. SALARIES, SALARY SUPPLEMENTS

Foundation funds may be used to pay salaries and supplemental payments for employees of the School provided that compensation is established by the School according to salary administration policies created by the Office of Human Resources for SPA employees and according to the Board of Governor's annual resolution on salary matters for faculty and non-faculty EPA employees. Use of Foundation funds to compensate Senior Academic and Administrative Officers Tier I shall be approved in writing by the Board of Trustees.

#### 11. Q. EQUIPMENT, RENOVATIONS, REPAIRS, AND FURNITURE

Foundation funds may be used for the purchase of equipment and for repair and renovations of School equipment and buildings. Examples include furniture and household items for the chancellor's residence, artwork for offices or common areas, or items associated with a performance or event that are necessary to the integrity of that event.