

# Minot State University

## Allowable and Unallowable Expenditures

- I. The following items cannot be purchased from any University funds regardless of the source (appropriated, local, grants, etc.). Exceptions can be made for certain situations if prior approval is received from the Vice President for Administration and Finance. If an employee is uncertain whether an expense is allowable, please seek prior approval from the Business Office. **This list is not all-inclusive:**
1. Alcoholic beverages
  2. Car washes
  3. Cards (greeting or holiday), pictures, frames, decorations, balloons and wrapping paper
  4. Clothing – MSU employees may be taxable as uniforms per IRS regulations
  5. Coffee pots, coffee and cups
  6. Donation to another Non-profit (Charity)
  7. Fans, heaters, lamps, clocks, and occasional/accent furniture items.
  8. First class or business class airfare
  9. Flowers and plants
  10. Food and beverages including meals, snacks and refreshments for departmental activities
  11. Gift Certificates and Gift Cards
  12. Gifts and donations
  13. Late check-out charges
  14. Office decorations to personalize employee's area (e.g., wallpaper, pictures, etc.)
  15. Parking permits or tickets
  16. Personal care items (e.g., tissues, bandages, and aspirin)
  17. Personal dues and memberships (memberships related to an employee's job duties and carried in the name of the University are allowable)
  18. Phone cards
  19. Room guarantee charges
  20. Scantron cards for resale to students
  21. Stamps
  22. Travel insurance
  23. Water coolers and water
  24. Warranties
- II. Retirement/farewell gifts and receptions can be paid for with MSU funds when an employee has a minimum of **fifteen years** of service to MSU. The value of the gift and/or reception per employee is limited to \$200. *Gifts can't be in the form of a gift certificate.*
- III. Purchasing food and beverages from Sodexo is allowable only when non-employees are part of a business-related function. Local funds should be used if available. Before a department can pay Sodexo, a list of attendees must be

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supplied directly to Accounts Payable in the Business Office.

**Sodexo always has right of first refusal.** If an off-campus vendor is used, the employee will be reimbursed the entire amount (including sales tax) if the expense is reasonable, a detailed invoice/receipt is submitted, and a list of all attendees is provided. Direct billing is unallowable unless prior approval is received from Accounts Payable.

Examples of **allowable** expenditures:

Continuing Education hosts a conference and the conference provides snacks and lunch as part of the registration fee (assuming attendees are not all MSU employees).

- A. A department hosts a luncheon meeting with community members or outside consultants.

Examples of **unallowable** expenditures:

- B. Cookies, muffins, coffee, etc. for a departmental meeting.
- C. Employee-only meetings over lunch.

Annual departmental retreats are allowable only if pre-approved by your respective Vice President. When pre-approval is submitted, it must include an agenda and budget. The budget must include source of funds.

- IV. An employee cannot be reimbursed for luncheon meetings in the community unless written pre-approval is received from the Vice President for Administration and Finance and the employee's supervisor requires attendance. Upon approval the employee should submit a travel expense voucher for reimbursement at the per diem rate.
- V. **Gift certificates and gift cards** will not be purchased by any campus entity. IRS regulations state that gift certificates are cash equivalent and must be recognized as a fringe benefit and processed through payroll. See IRS publication 15-B for more information.

MSU reserves the right to refuse any unallowable purchase which has not been pre-approved by the VP for Administration and Finance.

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