

Business Purpose is a clear and specific explanation of how a purchase directly supports the official mission, operations, or objectives of the University.

A valid business purpose should include:

1. **Why** the purchase was necessary
2. **What University activity, program, or function it supports**

A business purpose must be detailed enough so that an independent reviewer or auditor can understand the reason for the transaction without additional clarification.

Examples

Strong Business Purpose

“Lunch for 12 faculty during curriculum planning retreat for Fall 2026 accreditation preparation.”

“Art supplies for EDUC 3450 student practicum project (25 students).”

“Registration for NACUBO Annual Conference to obtain required continuing education credits for Controller’s Office staff.”

“Pizza for 40 students attending Aggie First Scholars academic success workshop.”

Inadequate Description

“Lunch meeting”

“Supplies”

“Conference registration”

“Student event food”

What a Business Purpose Is *Not*

- ❌ “Department supplies”
- ❌ “Meeting expense”
- ❌ “Student event”
- ❌ “Food”
- ❌ “Miscellaneous”
- ❌ “Per policy”

These descriptions are too vague and do not justify the expense.

Consider This

If an external auditor reviewed the transaction six months later, would the documentation clearly demonstrate that the expense was reasonable, necessary, and directly related to University business?

If the answer is no, the business purpose is not sufficient.