

University Policy 1220: General Expenditure Policy

Category: Governance & Administration

Subcategory: Budget & Expenditures

Covered Individuals: All employees, students, and volunteers

Responsible Executive: Vice President for Finance and Administrative Services

Policy Custodian: Controller's Office, Controller

Last Revised: 2025/11/07

Previous USU Policy #: N/A

1220.1. PURPOSE AND SCOPE

This policy establishes standards and responsibilities for the appropriate and transparent expenditure of University funds.

1220.2 POLICY

As a major public institution, Utah State University is held to a high level of accountability for its business practices. Numerous constituencies, including students, donors, taxpayers, alumni, the State of Utah, and the federal government, have an interest in how the University spends its money. Accordingly, every reasonable effort should be made to ensure that funds are used responsibly and appropriately to achieve the maximum benefit from university resources.

2.1 University expenditures must:

1. Have a legitimate business purpose. An expenditure is considered business-related if it reflects an ordinary and necessary transaction incurred to conduct University business and is made to further the institution's mission.
2. Be reasonable and appropriate, and the amount involved reflects what a prudent person would purchase under the circumstances.
3. Comply with applicable state and federal laws, regulations, and university policies and procedures.
4. Be supported by appropriate documentation.

2.2 USU Expenditure-related Policies

The following USU policies provide guidelines and requirements relating to expenditures of funds and the appropriate use of university resources and should be referenced as needed for a deeper understanding of specific expenditure policy details.

2.2.1 Policy 3311: Employee Gifts and Awards

Key Policy Provisions

Department heads may authorize the purchase of gifts and awards for employees using University funds to acknowledge:

- Years of service.
- Retirement/separation.
- Other special occasions (See Policy 3311 for examples)

Depending on the frequency, value, and form, gifts to employees are classified as non-taxable or taxable. De minimis gifts and awards are non-taxable to the employee when the gift or award does not exceed \$100, is given on an occasional basis, and is tangible personal property (gift may not be in the form of cash, cash equivalent, or non-USU gift card).

Cash, cash equivalents, and non-USU gift cards are taxable to the employee.

Gifts for employee's personal life events (e.g., birthdays, showers, weddings, graduations) may not be purchased with University funds. However, the purchase of greeting cards for acknowledgement is allowable.

The full policy can be accessed online at: [Policy 3311: Employee Gifts and Awards](#).

2.2.2 Policy 1221: Procurement

Key Policy Provisions

The Standard Competitive Bid Threshold can be found here: Bid Thresholds.

For purchases **less than** the "Standard Competitive Bid Threshold" (as defined in the Purchasing and Contract Service Procedures), departments may select a specific vendor that best fulfills the business need without the requirement of a competitive selection process. The primary procurement methods for purchases under this threshold are P-Cards and EZ-Buy.

For purchases **greater than** the Standard Competitive Bid Threshold, Purchasing participates in the procurement process to facilitate vendor selection. In these cases, departments should contact Purchasing as early as possible in the process to allow timely vendor selection in an efficient and compliant manner.

The full policy can be accessed online at: [Policy 1221: Procurement](#)

2.2.3 Policy 1225: Charitable Contributions

Key Policy Provisions

Utah State University is a public tax-exempt institution of higher education and therefore, as a general rule, does not make charitable contributions.

However, in rare circumstances, donations can be made, with approval from the appropriate Dean or Vice President, where the expenditure serves a legitimate purpose that advances the mission of the University. In such cases, justification must be documented that supports the business purpose of the donation.

The full policy can be accessed online at: [Policy 1225: Charitable Contributions](#)

2.2.4 Policy 1222: Travel

Key Policy Provisions

USU operates an IRS Accountable Plan that makes reimbursements for travel expenditures non-taxable to employees when appropriate criteria are met:

- Approved rates for common travel expenses.
- Commercial airfare costs are limited to fares less than first class/business class or their equivalent.
- Domestic lodging will typically be reimbursed at the standard room rate. If the standard or best available rate averages more than \$450 per night, justification must be documented.

- International lodging will typically be reimbursed at actual costs not to exceed the maximum allowable Federal lodging per diem rate. If reasonable accommodations cannot be secured within that rate, reimbursement may be requested for actual expenses not to exceed 300 percent of the Federal lodging per diem allowance.
- A meal per diem is allowed for any trip requiring an overnight stay. The current per diem rates can be found at travel.usu.edu/travel_procedures.
- Parking at airports or off-site parking vendors will be reimbursed at the economy parking rate of the departure airport.

The full policy can be accessed online at: [Policy 1222: Travel](#)

2.2.5 Policy 1223: Meals and Entertainment

Key Policy Provisions

The University will pay for meals and entertainment when costs are reasonable and necessary for the conduct of university business. Expenses must be:

1. directly related to the active conduct of University business.
2. associated with the active conduct of University business.
3. de minimis under Internal Revenue Service (IRS) guidelines. (See Policy 1223 for examples)

Meals will not be reimbursed when two or more employees choose to voluntarily participate together regardless of whether business is conducted is considered an unallowable cost.

Meals will not be reimbursed when the meeting could have been scheduled during the normal course of business, except when employees from multiple departments can only meet during a meal period. Exceptions must not occur on a regular or routine basis, or be reciprocal (e.g.; monthly, weekly, etc.).

The full policy can be accessed online at: [Policy 1223: Meals and Entertainment](#)

2.3 President's Expenditures

The role of the President is unique within the University. This position requires a high level of trust and is subject to high ethical expectations. Expenditures under the discretion of the President must be made with prudence and integrity and reinforce the characteristics of sound judgement, moderation, and appropriate use of university funds.

The President may not grant self-exceptions to this policy or to other applicable university spending, travel, or procurement policies.

2.3.1 Annual Budget

The President's Office shall annually submit a proposed budget for the upcoming fiscal year, with reasonable detail, encompassing funds available to the President for expenditure for review and approval by the Board of Trustees.

2.3.2 Reports of Expenditures

The President's Office shall provide a quarterly report to the Board of Trustees Audit and Risk Committee of the expenditures made by, or for the benefit of, the President.

2.3.3 Audits

Per USHE policy, Internal Audit Services (IAS) will conduct an annual audit of the President's travel expenses and expenditures of Institutional Discretionary Funds.

2.3.4 Notification Parameters

The President's Office shall inform the Board Chair of intent to enter certain transactions within parameters established by the Board.

The parameters for notification will be reviewed and updated annually by the Audit and Risk Committee. These specific parameters are established to protect the President and the University and support the good judgement, moderation and appropriate use of funds. While this is not designed to be all inclusive, generally, areas covered may include transactions that, due to their size, sensitivity, or impact to the University, notification and review with the Board Chair is deemed prudent.

1220.3 RESPONSIBILITIES

Responsibilities for key individuals have been established within each of the USU expenditure-related policies.

3.1 Board of Trustees Audit and Risk Committee

Responsible for reviewing a quarterly report on expenditures made by, or for the benefit of, the President. Establish appropriate parameters for when the President to notifies the Board of Trustees about financial transactions.

3.2 Internal Audit Services

Responsible for conducting an annual audit of the President's travel expenses and expenditures of Institutional Discretionary Funds.

3.3 University President

Responsible for utilizing University funds for a legitimate business purpose in alignment with federal, state, and local laws and USU policies. Provides a quarterly report of expenditures to the Board of Trustees Audit and Risk Committee. Participates in annual audit by Internal Audit Services. Informs the Board of Trustees of intent to enter certain transactions based on parameters set by the Audit and Risk Committee.

1220.4 RELATED USU POLICIES

- [Policy 1221: Procurement](#)
- [Policy 1222: Travel](#)
- [Policy 1223: Meals and Entertainment](#)
- [Policy 1225: Charitable Contributions](#)
- [Policy 3311: Employee Gifts and Awards](#)

Information below is not included as part of the contents of the official policy. It is provided only as a convenience for readers/users and may be changed at any time by persons authorized by the president.

RESOURCES

Contacts

- [Vice President for Finance and Administrative Services](#)

POLICY HISTORY

Original issue date: 2025/11/07

Last revision date: 2025/11/07

Next scheduled review date: 2026/10/01

Previous revision dates: N/A