



Accounts Payable Policies

Adopted

General Guidelines

Use of University Funds

University expenditures must comply with [IRS Accountable Plan](#) guidelines. The guidelines of an IRS Accountable Plan are:

An accountable plan is a process of reimbursing employees for their work-related expenses.

Accountable plans are not subject to taxation, as they are not considered a form of compensation.

Costs can only be considered part of an accountable plan if they are business-related, accurately reported, and if excess reimbursements are returned.

If a reimbursed cost is considered non-accountable, it is subject to taxation and must be returned within 120 days.

Expenses must be submitted within a reasonable amount of time.

University funds are to be used for necessary business expenses only. Funds are not to be used for personal reasons, including purchasing gifts for employees or other individuals. Questions about the appropriate use of University funds should be directed to a budget officer or to the Business Office.

No Lavish or Extravagant Expenses - As a tax-exempt organization, the university is responsible for determining whether to reimburse, not to pay, or to reduce payments for expenses that appear unreasonable and unjustified. Paying or reimbursing for "lavish" or "extravagant" expenses is unacceptable. These Internal Revenue Service terms are used in Internal Revenue Code Sec. 162 and repeatedly utilized in other IRS documents to describe expenses that are deemed nondeductible because a reasonable person would consider the expense to be much higher than expected.

All items purchased directly by the university or indirectly by reimbursement to university staff, become the property of Illinois Wesleyan University

Alcohol

Prior approval is required for alcohol to be served at IWU sponsored events.

Approval must be granted prior to any deposit being paid for an event where IWU pays for alcohol

The following departments may authorize alcohol purchases

President's office (all departments)

Provost's Office (all academic departments)

Alumni Engagement (their budget only)

Advancement (their budget only)

Alcohol may be purchased in small group meals honoring distinguished guests or alumni. All reimbursements or transaction envelopes including alcohol should be approved by one of the above mentioned parties.

Awards/Giveaways/Prizes

Awards, giveaways, and prizes can have stringent tax reporting requirements. A receipt for the item awarded, along with the social security number of a recipient must be submitted immediately, or as soon as possible after an award being issued. [De Minimis Gifts](#) are not taxable. These include non-cash items up to a fair market value of \$100. Cash or cash equivalents, such as gift cards or gift certificates, are never considered de minimis and must be taxed. Contact the Business Office with any questions

[Achievement awards](#) of tangible personal property may be given under certain conditions for length of service or safety achievement. Please see the Business Office for guidance.

Electronics

In general, technology for offices and classrooms should be acquired through IT Low-value uncatalogued equipment (e.g. computer mouse, usb headsets) may be purchased with departmental funds
Items not acquired through IT will not be serviced or inventoried by IT

Meals & Entertainment

Purchasing of food by departments should be limited to specific university business functions
Sodexo has a right of first refusal for on-campus catered events. Do not obtain catering from outside vendors without first consulting Sodexo.
The reasonable cost of gratuity to service personnel will be reimbursed
Reasonable entertainment expenses with a documented business purpose are acceptable. The Business Office reserves the right to deny payment of entertainment expenses that appear lavish or lack proper documentation.

achievement or service to the university. Examples of gifts: birthday cards, retirement gifts, get well soon cards. Examples of prizes/awards: Honoraria paid for a speaking engagement, an annual award for academic excellence, a prize for a random drawing at a club event.

Student Stipends, Scholarships, and Fellowships

Payments received by students are considered tax-free if they are enrolled and the amounts received are used to pay for tuition, fees, books, supplies or other expenses required for enrollment. Amounts used for room, board, and other incidental expenses and

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Department chairs and supervisors should have payment requests signed by their supervisor. For most department chairs, this will be the Provost's Office. Any payment exceeding \$1000 should be signed by a department head.

Adjustments

The Business Office may return items to a department for corrections to be made. See deadlines above.

Adjustments may either increase or decrease the payable amount.

The Business Office reserves the right to make adjustments to the following without notification to the department:

Sales Tax

Calculation errors less than \$50 (reimbursement is properly documented, but the requested amount differs from documentation)

Mileage errors

Illinois Wesleyan University, may, at the discretion of (VP, Controller, Director of Accounting & Budget), withhold any reimbursement for items deemed unfit or unrelated to university business.

Fund Transfers

Transfers of funds with IWU must be initiated with the *Request For Transfer of Funds Between Internal Accounts* form available at <https://www.iwu.edu/business-office/policies.html>

The signature of a chair, admin, or department supervisor,

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Travel Vouchers

Must be filled electronically

Must include all applicable receipts

Use multiple forms if multiple mileage rates apply

Destinations must be listed for mileage reimbursement requests

Payee Information Updates

Students, Faculty, and Staff must update their personal information through the applicable Self-Service portals

Vendor Payee information will be verified at the time of payment. A remittance address is required for all invoice and non-invoice payment requests.

The most recent applicable version of a form must be used. If a prior version is used, the business office may return a payment request for resubmission on the correct form.

Check Holding

Checks are given directly to the payee, either

Illinois Wesleyan University, may, at the discretion of the VP of Business and Finance, Controller, or Director of Accounting & Budget, require the return of any items, or refund request of any charges on a university issued credit card.

Employees are required to reimburse Illinois Wesleyan University for any such items that were purchased or charges that were incurred as a result of gross misconduct of an employee

GROSS MISCONDUCT INVOLVING ILLINOIS WESLEYAN UNIVERSITY ISSUED CREDIT CARDS MAY BE PENALIZED, UP TO, AND INCLUDING, TERMINATION OF EMPLOYMENT

The VP of Business and Finance, Controller, and Director of Accounting & Budget may deactivate a purchasing card based on failure to comply with purchasing card guidelines.

An employee may be required to complete mandatory training prior to a card being reactivated, if deactivated due to policy violations. Eligibility for card reactivation is determined by either the VP, Controller, or Director.

Travel

General

Travel must be authorized by an employee's direct supervisor prior to any expenses being incurred

Travel expenses related to IWU business may be reimbursed, or charged to an IWU credit card

Unless an exception is specified, all documentation requirements are the same for travel expenses as other business related expenses. The following guidelines apply

No Receipt is required for

Tolls, however both the recipient and signatory must sign the voucher for reimbursement to be considered

Parking Meters

Minimal tips or gratuities

Personal vehicle mileage reimbursement requires only the destinations and number of miles to be documented

Currency conversions must be substantiated by a third party source, or from a credit card statement showing the actual amount charged in US Dollars. The credit card statement may only be used to substantiate amounts paid in US Dollars or foreign transaction fees and is not a replacement for receipts.

Each purchase with a foreign currency should have the conversion math shown (Foreign Currency Amount * Conversion Rate = Amount in US Dollars) This can be written directly on the receipt if desired.

A description must be provided for any receipts in a language other than English

Approved Expenses (Non-Exhaustive List)

Airfare

The most cost effective reasonable flight should be obtained. Permission must be obtained in advance to purchase premium flight services (business class, first class, economy plus, etc.)

Automobile

Travel expenses may be reimbursed for either personal or rented vehicle. Personal vehicle travel will be reimbursed on a per-mile basis. Fuel and all vehicle maintenance are covered by the per-mile reimbursement rate. The individual reimbursed for personal vehicle use should be the registered owner or lessee of the vehicle. Do not submit requests for reimbursement for gasoline or service to personal vehicles.

Rental vehicles do not qualify for per-mile reimbursement. Please save the receipts for the rental and any fuel purchased.

Tolls will be reimbursed if the expense resulted from IWU business travel. Parking fines and traffic violations will not be reimbursed.

Public Transportation

Employees should obtain the most cost effective, convenient form of ground transportation reasonable for their travel needs.

Ground transportation may be by bus, train, taxi, rental vehicle, rented bicycle or others.

Lodging

Employees should strive to obtain cost effective options from hotels or short term rental options (such as Airbnb or VRBO).

A paid receipt is required for reimbursement.

The cost of lodging should not exceed the *Lodging* limit for your destination specified at

<https://www.gsa.gov/travel/plan-book/per-diem-rates>

Meals

An employee may incur reasonable costs for food, non-alcoholic beverages, and snacks.

The cost of all meals and other incidental expenses in a day must not exceed the IRS limit for the travel destination. Please use the *Meal and Incidental Rate* information available at

<https://www.gsa.gov/travel/plan-book/per-diem-rates> to determine the rate for your destination.

Meals with a specific business purpose are not subject to the per-diem rate, but should still be reasonable.

Items Not Appropriate for Reimbursement

Personal entertainment

Travel unrelated to IWU activities

Daily travel to and from one's residence to IWU (remote employees should check with their supervisor to see if travel expenses to and from campus can be reimbursed)

Personal Laundry

Expenses for travel companions

Travel insurance

Services Provided at the Business Office Window

Check Disbursement and Cashing