

Foundation Expenditure Guidelines

Contract Signature Authority

All contracts are to be forwarded first to the Procurement Office for review on behalf of the University. If review by other parties is needed, the contract will be distributed to the applicable parties.

Agreements, leases, contracts, or any binding legal documents will then be routed to the individuals that are authorized to sign for the University.

Ethical Standards

It is a breach of ethical standards for any former employee to engage in selling or attempting to sell commodities or services to the University or any other state agency for one year following the date employment ceased (Arkansas Code Ann. §19-11-709).

Purpose

As stated in [Fayetteville Policies and Procedures 222.1](#), “all expenses to be paid from Foundation accounts that meet the requirements of State procurement regulations should be processed through the University procurement system”; therefore, the primary method of expending Foundation funds is BASIS (Business and Administrative Strategic Information Systems) using 0352, 0362, 0392 or 0393 Cost Center Numbers (CCN). All purchases from all University cost centers, regardless of the source of the funds, are subject to regulations and procedures as stipulated in Arkansas statutes. [For normal procedures, refer to the Business Affairs website for procurement.](#)

There are limited situations in which the pursuit of teaching, research, and public service result in appropriate University expenditures that exclusively require the use of private dollars. This is the focus of this document. For these exceptional circumstances, a [University of Arkansas Foundation Payment Authorization Form](#) (PAF) must be used.

Departments or units assume additional responsibility and accountability when transactions are processed on a PAF. The individual making or authorizing the purchase will be personally liable for the expense if reviewing persons later determine the purchase does not meet necessary criteria.

All expenses must have appropriate supporting documentation to be approved for payment. The employee will bear the cost of the purchase without adequate documentation.

General Guidelines

Expenses NOT to be paid directly from Foundation accounts (on a PAF) include but are not limited to:

- Donations or contributions to charitable organizations,
- Memorial donations for employees or their family members who have passed away,
- Gifts (plaques) to University employees over \$25 including retirement,
- Moving or house hunting expenses, and
- Late fees or penalties.

Funds provided by the Walton Foundation do NOT pay for alcohol.

For Foundation monies that will pay for alcohol, the PAF should include the tax on the alcohol. A receipt showing both alcohol and food purchases should be split between University procurement system (food) and UA Foundation PAF (alcohol). The PAF should also include the information for the University payment: travel claim number, requisition number or a purchase order number.

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Flowers purchased for Official Functions should go through University procurement system. If you have questions, please check your specific circumstances and dollar amounts with your University buyer prior to purchase.

Requests for payment of awards/prizes must include: the criteria of the award/prize, how the recipient was selected (via committee, nominations, etc.), the number of awards/prizes to be distributed, and how often the award/prize is granted. All other awards/prizes should be processed as compensation.

Proper documentation should be attached to each PAF. If reimbursing a CCN, attach a copy of the documentation you used to determine the amount; a DBR or a screen shot of the expense. Personal reimbursements must have a detailed receipt as well as a receipt showing payment was made. The UA Foundation will not pay from a statement; a statement may only be used to show payment was made. Every PAF, including personal reimbursements and direct vendor payments, must state the business purpose and what the payment is for. If an event is involved, it must also include where it occurred, when it occurred, and who was invited or who attended. You may attach additional pages if necessary.

Travel must have appropriate University approval. If split between BASIS and a PAF for alcohol, the PAF documentation must contain the Travel Claim number. All regularly required documentation for a personal reimbursement must be attached including a detailed receipt, a receipt showing payment, a description of the business purpose, where and when it happened and who was involved.

Competitive bidding procedures are required by the state for some commodities, but sometimes this is not possible. The reason for this exception must be included on the PAF. [For questions about bids, please refer to Business Affairs website.](#)

Tax Compliance will review each PAF for tax liability issues. Examples of taxable payments to University employees include, but are not limited to, country club and civic organization dues and awards of cash. The tax liability for other items will depend on the circumstances. If a PAF is determined to be subject to withholding for federal or state taxes, it will be processed through the payroll system for inclusion on the employee's W-2. The cost center being charged will have an additional charge for applicable taxes and fringe benefits. The employee check will also be charged a matching amount for taxes and withholdings.

The PAF must have the approval signatures of the office of the Dean or Vice Chancellor for the unit requesting the payment and the office of the Vice Chancellor for Finance and Administration (which includes initials by the Tax Compliance Officer).

For any questions on Foundation procedures please contact the [Foundation Compliance Officer](#) in Financial Affairs.

March 20th, 2015