

University at Buffalo Foundation, Inc.

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**UB Foundation Expenditures
UB Business Days 2015**

October 14, 2015

A session on common expenditure-related questions related to UBF resources

- General Overview
- Similarities and differences between UBF resources and other resources
- Standard (non-payroll) expenditures
- Payroll expenditures
- UBFfirst
- Frequently asked questions
- Other questions

- UBF expenditures are guided by many policies:
 - Donor designations
 - Most funds administered by UBF have been donated for use by UB units and departments. Many of these funds have specific restrictions imposed by donors that must be strictly followed.
 - University practices/policies
 - UBF follows standard university policies and practices as it pertains to expenditures, (e.g. approval authority, equipment maintenance, moving expense, summer compensation, extra service, etc.)
 - Federal and/or state regulations
 - UBF must abide by federal and state regulations for all expenditures.

- eReq available (for payment to business vendors)
- ePTF available (and preferred)
- Should not pay NYS sales tax on transactions – forms available at ubfoundation.buffalo.edu
- Standard expenditure forms are encouraged, but not mandated
- Cannot reimburse for personal expenses or political contributions

UBF Differences from Other Resources

- Mandatory competitive bidding not required
- Donor intentions must be strictly followed
- Expenditures must be approved by designated signatory assigned to the account
- Accounts must have sufficient funds on deposit at all times for expenditures to be paid

- W9 form (Certification of Taxpayer ID or Social Security Number) required for business vendor and taxable payments to individuals
- Disbursement Request is the standard form used to process expenditures
 - Must include UB business purpose and be signed by authorized signatory
 - Must include proper audit trail (invoice, receipts, etc.)
- eReq system can be utilized
 - Must include UB business purpose
 - Must include proper audit trail (invoice, receipts, etc.)
 - Authorized signatory involved in routing/approval process
- Business credit cards also available to aid in procuring and paying for small dollar purchases up to \$2,500 each
- Completed expenditure requests processed within 7 days

- A single expenditure can be paid from multiple accounts
- Travel expenses can be reimbursed via state/federal per diem rates or via actual costs
- "Qualified moving expenses" can be reimbursed
- "Non-Qualified moving expenses", if reimbursed, will be treated as taxable compensation to the individual.
- Current university policy does not permit UBF to reimburse for meals when engaged in routine university business during normal business hours

- UBF and its affiliates provide payroll & benefits for various university personnel
- ePTF system available and encouraged
- Must be approved by account signatory and in accordance with UB's approval authority policy
- Health, dental, vision and retirement benefits offered to those regularly working 20 hours or more weekly
 - UBF allocates the exact cost of each individual's benefit program to the account designated for these costs
 - For budgeting and planning purposes, these costs can be estimated by using comparable State or RF rates

- **UBF's Information and Reporting System**

Account holders can obtain:

- Account balances, encumbrances & transactions
- Scanned documents for many transactions
- Reports on various account activities
- Endowment information

Those paid by UB Foundation Activities/Services can obtain:

- Paystubs, W2s, and Pay Notices
- Historical cost of benefits information

- How does UBF distinguish between an employee and an independent contractor?
 - Preference is to have individual (NOT department) complete independent contractor questionnaire form (on UBF web site)
 - Disbursement request with sufficient documentation may suffice
 - Once completed, reviewed on a case-by-case basis
- How should a UB employee be paid by UBF for services rendered?
 - They must be processed via payroll as employee or W2 payment
- How are honorarium payments handled?
 - For domestic individuals
 - Processed through accounts payable (1099-MISC issued at year end if required by IRS)
 - W-9 required for all honorarium payments
 - For foreign individuals
 - Processed through accounts payable (1042-S issued at year end as required by IRS)
 - May be subject to up-front withholdings of 30%
 - Social Security #/ITIN #, 8233 form, and tax treaty required to be exempted from withholdings

- What is the difference between a scholarship and an award?
 - Scholarship - generally an amount paid for the benefit of a student at an educational institution to aid in the pursuit of studies.
 - The student may be in either a graduate or undergraduate program.
 - The amount of a scholarship can include the amount of tuition, matriculation, books and other required fees.
 - Qualified educational expenses are generally tax free for the recipient.
 - Scholarships for non-resident aliens need additional paperwork prior to processing and may have withholding requirements.
 - Usually paid directly to student's account .
 - Awards - amounts received primarily in recognition of educational, artistic, or civic achievement, or as the result of entering a contest.
 - Typically, no restrictions are placed on how the student can use the award money; it is not limited strictly to educational expenses.
 - A prize or award is generally taxable income to the recipient.
 - Awards to foreign individuals usually have additional withholding requirements.
 - Usually paid directly to the student .

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Other Questions

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Helpful Web Links

UB Foundation web site – www.ubfoundation.buffalo.edu

Expenditure Policies - <http://www.ubfoundation.buffalo.edu/expenditures/policies>

Expenditure forms - <http://www.ubfoundation.buffalo.edu/expenditures/forms>

Payroll forms - <http://www.ubfoundation.buffalo.edu/human-resources/appointment-and-benefits-forms>

Expenditure FAQs - <http://www.ubfoundation.buffalo.edu/expenditures/faq>

UB Policy Library – <http://policy.business.buffalo.edu/Pages/default.aspx>

IRS web site – <http://www.irs.gov/>

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Thank you