

## Discretionary Funds

### POLICY STATEMENT

Discretionary funds awarded to a faculty member are intended to supplement existing and available funds and can be used to fund any qualified non-salaried University expenditure, except as noted in #3b below. Such expenditures, while not integral to research and teaching activities, support the overall research and teaching activities of the individual faculty member and the University community at large.

Discretionary Funds operate under the following guidelines:

1. Balances
  - a. Funds are structured as individual restricted accounts in the year awarded. Remaining balances carry forward to the next fiscal year.
  - b. Restricted funds cannot operate with a deficit balance. The financial manager or principal investigator must immediately work with the Accounting & Financial Services (“AFS”) Accountant for Restricted Funds to resolve any overdrafts. The only exception to this rule pertains to “temporary” deficits. Temporary deficit positions must be approved in advance by the Controller and/or the Vice President of Finance (See [Deficits](#) Policy).
2. Purchases
  - a. Must be in accordance with all University procurement policies and procedures.
  - b. All items purchased with discretionary funds are the property of the University.
  - c. Any discretionary account recipient who leaves the University may purchase, for an agreed upon price, items previously acquired with discretionary funds.
3. Legitimate Business Purpose – The faculty member and/or the designated budget administrator to whom the discretionary funds are awarded must ensure expenses charged to discretionary accounts are for legitimate business purposes as defined under IRS regulations and University guidelines and policies. Examples of eligible expenditures are:
  - a. Travel to meetings of professional associations or for research activities
  - b. Summer salaries
  - c. Subscriptions to professional periodicals
  - d. Memberships in professional organizations
  - e. Reference books
  - f. Journal submission fees
  - g. Specialized software, other than software routinely provided by the University, for classroom use or research

- h. Business-related long distance charges
  - i. Business-related postal or shipping charges (FedEx, UPS, Airborne)
  - j. Computer peripherals. These must be compatible with existing equipment and systems, and installment and maintenance requirements verified through Office of Information Technologies (“OIT”).
  - k. Specialized databases and data collection costs
  - l. Business-related meals or hosted professional functions
  - m. Professional license or certification fees
4. Expenses Not Eligible – Personal expenses of any kind are not eligible for reimbursement through discretionary accounts. Examples of items not allowable include:
- a. Home office costs such as furniture and equipment, maintenance expenses, and supplies
  - b. Cell phone, Internet and telephone line charges *unless approved by the University administration as necessary for job performance (e.g., alternative work site) or for expenses exceeding monthly plan costs and supported by business-purpose documentation which is accompanied by an expense reimbursement form*
  - c. Student graders
  - d. Charitable contributions made in the account-holder’s name
  - e. Political contributions under any circumstances
  - f. Postage for personal correspondence
  - g. Office or laboratory phone sets, or ordinary line charges
  - h. Memberships in social clubs or airline travel clubs, *unless approved by the University’s Administration (President, Executive Vice President, or Provost) as necessary for job performance*
  - i. Wages paid to the faculty member during the academic year