Sound business practice calls for each Rutgers faculty and staff member to safeguard and preserve the university’s assets and resources. As a public institution, Rutgers meets its goals by using assets from several sources, including tuition, fees, and endowment and investment income, along with state, federal, and private sources. The university has an obligation to ensure that these resources are applied to the purposes for which they are intended.

EXPENDITURE AUTHORITY AND BUDGET RESPONSIBILITY

All revenue generated by university activities and all expenditures for goods and services must be recorded and accounted for within the university’s financial systems. Each account in the university’s financial systems has been assigned a vice president or provost who has expenditure authority for accounts under his or her respective budget responsibilities. Expenditure authority and budget responsibility may be delegated downward through an organization to individual employees for particular accounts.

All university employees who administer financial transactions should be familiar with the university’s accounting structure and the policies that guide these transactions. Supervisors are responsible for ensuring that their staffs are familiar with these policies.

The use of university funds or assets, including grant funds, for any unlawful or improper purpose is prohibited. Employees who improperly or illegally use university funds are subject to disciplinary action up to and including discharge from university employment.
CONTROLLER’S OFFICE RESPONSIBILITY

The Controller’s Office is responsible for the accuracy, integrity, and overall management of the university’s financial systems. If you have questions related to accounting policies and procedures, contact the Office of the University Controller for assistance.

RESEARCH AND SPONSORED PROGRAMS, AND GRANT AND CONTRACT ACCOUNTING

Programs sponsored by federal, state, and private agencies represent a significant and important financial resource for the university. The Office of Research and Sponsored Programs (ORSP) and the Division of Grant and Contract Accounting (DGCA) assist Rutgers personnel with efforts to obtain and administer externally sponsored program funding to conduct scientific research, create works of art, compose music, write books and articles, improve classroom performance, and better serve their students, their professions, and the public.

OFFICE OF RESEARCH AND SPONSORED PROGRAMS

ORSP oversees accountability, compliance, and stewardship for sponsored programs in accordance with all applicable federal and state laws, and with university policies and regulations. The ORSP also provides:

- Information on funding opportunities
- Assistance with the preparation of proposals
- Guidance with the development of budgets for proposals
- Direction to achieve compliance with both agency and university policies and procedures
- Support to secure internal grants for preliminary work on selected projects
- Oversight by ORSP’s Institutional Review Board for the Protection of Human Subjects in Research
- Oversight by ORSP’s Institutional Animal Care and Use Committee for the care and use of animals in research
DGCA provides post-award accounting and compliance support to the university research community in accordance with applicable federal and state laws, sponsor regulations and requirements, and university policies and regulations. This support includes:

- Collecting award funding and setting up new award accounts
- Establishing and monitoring budgetary controls
- Preparing and filing invoices
- Preparing and filing financial reports with the sponsors
- Responding to award audits
- Administering the federally required effort certification system
- Negotiating with the federal government to establish the university’s facilities and administrative (F&A) cost and fringe benefit rates
- Providing technical advice to faculty and staff on award compliance

THE DIFFERENCE BETWEEN GIFTS AND AWARDS

GIFTS – A gift is not an award and therefore is not charged a fee for facilities and administrative (F&A) expenses, previously known as indirect costs or overhead. Gifts must be received and processed by the Rutgers University Foundation. Refer to the Donor Relations section for more information on individual, corporate, and foundation gift giving.

UNRESTRICTED RESEARCH GIFTS – These gifts are designated for general research support for a particular PI or department, and require no financial or technical reporting. There also is no obligation to the donor.

AWARDS – With the exception of certain fellowships, awards are made to the university because of the quality of our facilities, our administrative capabilities, and the knowledge and skill of our PIs. Because the university is the legal recipient of the grant or contract award, Rutgers must ensure that the terms and conditions of the award are followed.

NON-STATE ACCOUNT FRINGE BENEFITS

The State of New Jersey requires that all non-state accounts, including awards, be charged for fringe benefits on all salaries and wages. Departments that carry out projects without a fringe benefit charge must fund fringe benefits from another non-state source.

For more information on proper accounting, consult the following policies in the University Regulations and Procedures Manual: Policy Concerning the Fiscal Responsibilities Associated with the Administration of University Accounts (6.1.2); Policies and Procedures Concerning Grant and Contract Accounting (6.1.16); and Gratuities, Guests, Gifts, and Use of University Resources (6.4.2). The University Regulations and Procedures Manual is available at www.rutgers.edu/regulations/.

For additional assistance, contact the departments mentioned in this section or visit their web sites listed below.

- Division of Grant and Contract Accounting: www.rci.rutgers.edu/~ilc/
- Office of Corporate Liaison and Technology Transfer: ocltt.rutgers.edu/
- Office of Research and Sponsored Programs: orsp.rutgers.edu/
- Office of the University Controller: www.rci.rutgers.edu/~univcont/index.htm
Rutgers faculty and staff occasionally sponsor activities that generate additional revenues and costs in their departments. Examples of such activities include conferences, symposia, receptions, and the rental of facilities or equipment. The sponsors of these activities may charge participants application or registration fees, and often incur costs for meeting rooms, lodging, and meals.

Departments should obtain the appropriate approvals from their respective deans, chairpersons, or directors before planning such activities. The unit also should coordinate the activity with administrative service units, such as dining, catering, housing, risk management, university counsel, and the controller’s office, to ensure that revenues are captured, costs are minimized, and legal and insurance risks are mitigated. Keep in mind that revenues generated by some events may create a tax liability for Rutgers.

All revenues and expenses related to these activities must be deposited and recorded in university accounts. Faculty and staff are not authorized to establish accounts with external banks or other parties in the name of Rutgers. Sponsoring departments are responsible for all costs incurred relating to the events.

Faculty and staff who host or sponsor activities as a representative of an outside professional association or other organization must avoid commingling outside revenues and costs with Rutgers funds. Non-university groups may apply for access to certain Rutgers facilities under special agreements.

For more information about department-sponsored events that generate costs and/or income, contact the Controller’s Office or access its web site at www.rci.rutgers/~univcont/index.htm. Consult the Department of Risk Management with questions about legal or insurance risk issues.
The management of records is the systematic control of information—both in electronic and paper format—from its creation or receipt, through processing and use, until its destruction or placement into an archive. Proper records management satisfies federal and state laws, and ensures that significant records are preserved to document university history.

Each record has value, whether administrative, fiscal, legal, or historical. The value of the record determines how long it should be kept. Once the retention period is satisfied, the record may be destroyed.

The Rutgers Records Management Program, part of Special Collections and University Archives at the Alexander Library, provides information and assistance to campus departments on proper procedures for maintaining, retaining, and discarding university records.

For more information on records management and guidance on how long records should be kept, visit the Records Management Program web site at www.libraries.rutgers.edu/rul/libs/scua/ru_records.
PURCHASING AND VENDOR RELATIONS

Procurement and contracting decisions are made most efficiently by the end users of the materials, supplies, equipment, or services in conjunction with the Procurement and Contracting staff. The university’s goal in every purchase is to obtain the best value possible—a combination of price, quality, reliability, service, and delivery terms.

Generally, the best way to determine the most appropriate source for a product or service is to conduct a competitive bid among potential suppliers. A competitive environment ensures that the highest overall value is achieved for any goods or services provided.

PURCHASING RESPONSIBILITY

All purchases of goods or services must be preceded by a properly issued purchase order. The university’s purchase order is a legal document that contains terms and conditions specifying protections for the department and university, such as limits of liability, insurance, termination, and performance acceptance clauses.

Authority and responsibility for the various aspects of purchasing and contracting processes have been delegated to employees as assigned throughout the university (i.e., purchases below $1,000 may be made without Procurement and Contracting involvement). This approach requires that employees involved at any stage of the purchasing process take responsibility for understanding and implementing the university’s policies and procedures regarding purchasing and vendor relations. Procurement and Contracting provides assistance and support, procurement expertise, resource information, and contracting knowledge to faculty and staff.

EMERGENCY PURCHASES

There are procedures to expedite purchase orders and to facilitate placing emergency orders with a supplier directly during or after normal working hours. The university defines emergencies as safety hazards, keeping vital equipment operative, or preventing the deterioration of an experiment.

I know a university employee who has a company that has good products and services. May I purchase from that company if I conclude that it is the best deal around?

No. The university may not purchase goods or services from companies owned by university employees. New Jersey law provides that no “state entity,” including Rutgers, can purchase goods or services from any corporation in which any state employee holds more than 1 percent equity in the company.

My department has an immediate need for a piece of laboratory equipment that will enable research to continue. Should I place the order over the phone to expedite delivery?

No. A Rutgers purchase order is required to authorize any purchase; the purchase order contains terms and conditions that protect the university and the department in case a dispute arises between the requisitioner and the vendor. Without a purchase order and the appropriate contract language, the university will not have a clear basis to resolve favorably vendor disputes. Contact Procurement and Contracting to protect both the university and yourself.
Contact the purchasing department on your campus for assistance with expediting orders or placing emergency orders, or visit the Procurement and Contracting web site for more information at www.rci.rutgers.edu/~procure/emergency.html.

**VENDOR RELATIONS**

Rutgers strives to maintain excellent working relationships with our vendors through prompt payment of invoices. To ensure prompt payment, all departments in the procurement process must complete their responsibilities in a timely fashion.

Departments ordering goods and services must ensure that requisitions are completed and sent to purchasing. Quick purchase orders must be forwarded to the Disbursement Control Department on a timely basis.

Departments should instruct vendors to submit invoices to Disbursement Control to ensure timely payment. If a department receives the invoice directly from a vendor, it must forward the invoice to Disbursement Control immediately. The department also must ensure that invoices over $1,000 are promptly certified and returned to Disbursement Control for payment. Disbursement Control will not pay a vendor until both the purchase order and the invoice are matched.

**GIFTS AND GRATUITIES**

Employees are not allowed to solicit or accept from any current or prospective vendor or supplier any gift or gratuity, or anything else of more than nominal value. In this context, nominal is defined as an occasional meal (once or twice a year), a box of candy or food basket at the holidays that is shared with the department staff, or small token items such as pens, pencils, writing pads, or coffee mugs. If you are unsure whether a gift is of nominal value, consult your supervisor or unit head for clarification.

For more information on purchasing and vendor relations, consult the following policies in the *University Regulations and Procedures Manual: Purchasing Policies and Procedures* (6.5.1); *Policies and Procedures Concerning Invoice Processing* (6.1.3); and *Policies Concerning Gratuities, Official Guests, Receipt of Gifts, and the Use of University Resources* (6.4.2). The *University Regulations and Procedures Manual* is available on the web at www.rutgers.edu/regulations/.

You also can contact University Procurement and Contracting directly, access its web site at www.rci.rutgers.edu/~procure, or contact your local campus purchasing office for assistance. The Disbursement Control Department in University Accounting can assist departments with invoice processing questions. Its web address is www.rci.rutgers.edu/~univcont/index.htm.
The appropriateness of expenditures for travel, gifts, and entertainment is based on its relevance to advancing the university’s goals. As with any expenditure of university funds, faculty and staff should seek the best possible value when committing university resources for goods and services. The guidelines set forth in this section comply with Internal Revenue Service regulations related to travel, entertainment, gifts, awards, and employee expenses, as well as Rutgers’ standards.

**TRAVEL**

Rutgers reimburses faculty and staff for necessary travel expenses incurred in the performance of official duties. Employees should exercise prudence when incurring business-related travel expenses. Before making arrangements, employees should contact their department head or business manager to verify that planned travel is approved and funded for reimbursement. Under no circumstances may an individual approve his or her own travel or Travel and Business Expense Report (TABER) form. The approving authority should be the traveler’s supervisor or the supervisor’s designee who does not report to the traveler.

Individuals can consult the *University Travel Policy* for guidance on business travel or contact University Travel Services for assistance.

**ENTERTAINMENT**

When planning an event, employees should carefully consider the purpose served by the activity and how that purpose can be achieved in a cost-effective manner. The event must serve a business purpose. The cost incurred must be prudent and reasonable. For example, when hosting visitors to the university, such as guest lecturers or faculty candidates, reasonable meal expenditures are appropriate. However, the inclusion of university employees at these functions should be kept to a minimum, and alternative forums for meeting and discussing university business should be explored.

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**UNIVERSITY FUNDS/RESOURCES**

University funds include all funds, regardless of the source or means of acquisition, received and deposited into any university account. University funds can include, but are not limited to, state and federal appropriations or grants, gifts, tuition and fees, and endowment or investment income. State funds consist of state appropriations, tuition, and fees. Non-state funds are comprised of the following: grants and contracts from the state, the federal government, and private foundations; endowment and investment income; and gifts.

As the business manager for an academic department, may I approve travel order or TABER forms for my department chairperson?

No. These forms must be forwarded to the chairperson’s immediate supervisor for approval. In most instances, this is the dean’s office.
Sponsored research programs often contain specific guidelines on allowable travel, meal, and entertainment expenditures that supersede the university’s policies in these areas. For these guidelines, contact the Division of Grant and Contract Accounting.

**EVENTS WITH SOCIAL PURPOSES**

It is inappropriate to use university resources to fund purely social events such as holiday parties, staff picnics, going-away celebrations, birthdays, or wedding or baby showers, or to purchase tickets for athletic or cultural events. Events of this type are acceptable only when contributions are solicited from colleagues to fund fully the costs of these events.

Employee retirement parties and retirement gifts should be funded by collections of personal funds. However, these may be supplemented by non-state funds if the retiree has been employed at the university for twenty-five years or more. Exceptions to the retirement guidelines require the senior vice president and treasurer’s approval.

**GIFTS**

The use of university funds for the purchase of gifts is limited to those that are related to University Human Resources’ approved employee award and recognition programs. University funds may not be used to buy gifts for employees. This includes, but is not limited to, holiday, birthday, retirement, going-away, wedding or baby shower, anniversary, Secretary’s Day, or bereavement gifts. Gifts of this nature should come from personal contributions only.

**EMPLOYEE RECOGNITION PROGRAMS**

Employee recognition programs that serve a business purpose are acceptable if approved by University Human Resources and the provost, a vice president, or a member of the president’s cabinet. When spending university funds for these events, expenses should be reasonable and follow university purchasing guidelines and procedures.

For instance, a unit or division may host an event (e.g., reception or luncheon) to acknowledge a noteworthy work-related accomplishment or milestone, such as the successful completion of a major project. Employee retreats and morale building, staff development, or team-building programs also may be held for academic or university business purposes.

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**Questions and Answers**

* I plan to attend an out-of-town work-approved program that starts on a Monday. If I arrange to arrive on the Saturday before the start of the program, will the university also pay for these expenses?

Yes, provided the cost of staying overnight plus a reduced airfare make the overall trip less expensive for the university. However, if the transportation and lodging expense resulting from the extended stay increases the overall trip costs, then the employee must cover the difference between the two amounts.

* My job occasionally requires me to attend functions outside of normal business hours. Can I be reimbursed for my childcare expenses?

No. Childcare expenses are not reimbursable costs during the normal workday or for functions you are required to attend outside of normal business hours. In addition, other personal services (such as shoeshines, haircuts, manicures, or formal wear rental) are not reimbursable.
If I chair a universitywide committee, may I schedule an occasional working lunch on university grounds for committee members?

Yes, a working lunch may be a necessary expense for the committee if the lunchtime meeting provides the only convenient opportunity for the committee members to meet.

When university funds are used to support these employee-related events, the appropriate individual, based on the total expenditure, must approve the event in advance. The appropriate approving authority may delegate these approvals to other individuals. (For example, a vice president may delegate the approving authority to a dean.) The approving authority also may place a per person limit on spending within these guidelines. The approval guidelines are as follows:

- $0–$1,500 – dean- or director-level approval
- $1,501–$5,000 – president’s cabinet level approval
- $5,001 or more – senior vice president and treasurer’s approval

For recognition programs involving employees who are represented by a union, contact the Office of Employee Relations before instituting such programs.

ALCOHOL

The cost of alcoholic beverages cannot be reimbursed from state or federal funding sources.

EXCEPTIONS

Exceptions to these guidelines must be obtained in advance from the appropriate president’s cabinet member or the senior vice president and treasurer, depending upon the required level of approval. The authority to make an exception may not be delegated.

For more information on travel, entertainment, gifts, and employee recognition, consult the following policies in the University Regulations and Procedures Manual: University Travel Policies and Procedures (6.1.10); Policies and Procedures Concerning Business Meals (6.1.11); Policies and Procedures Concerning State Accounts (6.1.14.B.2); Policies and Procedures Concerning Grant and Contract Accounting (6.1.16); Policies Concerning Gratuities, Official Guests, Receipt of Gifts, and the Use of University Resources (6.4.2); Death of an Active or Retired University Employee (3.1.6); and Policy on Conflicts of Interest—Faculty (3.3.10). The University Regulations and Procedures Manual is available at www.rutgers.edu/regulations/.

You can contact University Human Resources directly or access its web site at uhr.rutgers.edu.

For assistance with travel questions, contact University Travel Services or access its web site at www.rci.rutgers.edu/~rutravel.

You also may find the Division of Grant and Contract Accounting (DGCA) a helpful resource. A copy of the Policies and Procedures for Travel and Business Expense Reimbursement on Grants and Contracts is available from DGCA. Tax-related questions can be directed to the Office of the University Tax Director. You can find information about these two offices at www.rci.rutgers.edu/~univcont/index.htm.