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I. INTRODUCTION

Purpose

The Comprehensive Disbursements Policy is a guide for colleagues who incur charges and/or travel for authorized Foundation business. The provisions of this policy are intended to ensure that all such expenditures align with donor intent, if applicable, and that they ultimately support achieving the LSU Health Foundation, New Orleans' sole purpose: to provide philanthropic support to LSU Health Sciences Center. This policy applies to all foundation funds, including but not limited to: Board of Regents Endowments, General Endowment, Non-Endowed Restricted Funds (including Discretionary Funds), and Non-Endowed Unrestricted Funds (including Foundation Operating Funds). This policy supersedes and replaces any prior Foundation policies pertaining to disbursements.

Applicability and Responsibility

This policy applies to LSU Health Sciences Center ("LSUHSC") and LSU Health Foundation, New Orleans ("Foundation") employees, staff, students, vendors, or other affiliates ("Affiliates") who incur charges and/or travel for authorized Foundation or University business.

Affiliates are expected to be prudent and exercise good judgment when incurring costs. All expenses submitted must be documented appropriately, include receipts, and comply with this policy.

Accountable Plan

The Foundation has adopted an "accountable plan" that meets IRS regulations. As such, reimbursements are not subject to state or federal taxation. Affiliates are expected to substantiate all expenses within 60 days of incurring an expense or completing a trip.

II. AUTHORIZATION AND SIGNATORIES

LSUHSC beneficiary Fund Custodians¹ are authorized to request expenditure of Foundation funds, subject to review and approval by first the appropriate department head or major unit director, or their authorized designee(s), followed by the dean, or their authorized designee(s), and then the Foundation's Chief Financial Officer or his/her designee, in accordance with any approved donor restrictions and the provisions of the Uniform Affiliation Agreement with Louisiana State University Agricultural and Mechanical College ("University"). Further review or approval may be required by the President & Chief Executive Officer and/or the Foundation Board Chairman, or their authorized designee(s), at the Chief Financial Officer's discretion. All inquiries for clarification prior to submitting a request should be directed to the

¹ "LSUHSC beneficiary Fund Custodian" is the person assigned by the Foundation as the LSUHSC employee designated to request payment from a Foundation fund account using prudent and reasonable judgement to ensure the funds are spent appropriately within the donor intent, Foundation policies, University policies, local, state and federal laws and regulations.

Foundation Stewardship Office. All requests for payment or reimbursement should be directed to the Foundation Finance Office.

All check requests and travel vouchers ("Payment Requests") must be submitted by the Affiliate or his/her designee and approved by a person with signatory authority for the Foundation funding source ("Approver"). By submitting the expense, the Affiliate and all Approvers acknowledge that they are familiar with the disbursements policy and that all the expenses are reasonable, appropriate, and comply with donor intent and Foundation policies, the Uniform Affiliation Agreement, and IRS laws. **Affiliates are accountable for their Payment Requests even though the Affiliate may delegate responsibility for preparing the Payment Request to someone else (e.g., staff assistant). In all cases, the Affiliate must approve the Payment Request.**

Approvers also ensure that the accounting information provided is accurate, there is sufficient funding available to pay the costs, and receipts are provided. Approvers should request further documentation or justification for any expenses that appear to be excessive or unusual and include that explanation or information with the Payment Request. Additionally, if expenses are to be charged to a school/departmental Foundation fund, permission to charge the fund must be obtained from the person with signature authority for the fund and must accompany the Payment Request. Please note that responsibility for conformity to this policy and its associated requirements rests with the Affiliate and the Approver.

One of the following officers of the Foundation may sign checks and authorize electronic payments to be disbursed in amounts less than \$5,000 manually or with a signature facsimile: President and Chief Executive Officer, Chief Financial Officer, Chief Development Officer, and Board Chair or Treasurer. Checks and electronic payments for \$5,000 or greater must be manually signed by two of the individuals listed. The Chief Financial Officer is authorized to execute any and all documents required to carry out the policy provisions outlined in this section.

Advance Approval Requirements

Expenses in the following categories require advance approval as indicated below:

- Faculty/staff awards > LSUHSC Chancellor's Office or designee(s)
- Printing items that include LSU logo (regardless of funding source) > subject to PS-10 and must be approved by LSU Strategic Communications via approvals@lsu.edu
 - Examples include but are not limited to stationary, brochures, signage, table throws, etc.
- Promotional items that include LSU logo (regardless of funding source) > subject to PS-93 and approved by LSU Trademark Licensing Office
 - Examples include but are not limited to t-shirts, mugs, keychains, plaques, etc.
- Maintenance, repairs, and alterations to LSUHSC property > LSUHSC Office of

Facility Services

- Student awards/gifts, etc. > LSUHSC Bursar and Foundation Stewardship Office
- Prior approval for other expenses, including, but not limited to, travel and entertainment, may require additional approvals as required by LSUHSC campus policies.

III. DISBURSEMENTS

A. DISBURSEMENT METHODS

The primary mechanisms of disbursement include:

1. Check request form with ACH vendor payment form
2. Travel voucher form with ACH vendor payment form
3. State cost reimbursement accounts linked to Foundation funds

B. GENERAL DISBURSEMENTS

All disbursement requests must clearly document the business purpose of the payment and should indicate that the payment complies with the purpose designated and terms and conditions established by the donor, as well as the policies and procedures established by the Foundation. All disbursement requests must also comply with the provisions of the Uniform Affiliation Agreement. These requirements apply to requests for disbursements by the Foundation, as well as to disbursements by the LSUHSC that are expected to be subsequently reimbursed by the Foundation using funds from beneficiary accounts. Expenditures made by the LSUHSC that are expected to be reimbursed by the Foundation are also subject to LSUHSC, University and state guidelines and regulations.

C. CONTRACTUAL REQUIREMENTS

Refer to the Transactional Authority Policy for information regarding requirements for contracts and signature authority. As a reminder, LSUHSC contracts may be funded with beneficiary funds held by the Foundation (by direct vendor payment or by reimbursing LSUHSC); it is not necessary for the Foundation to execute a contract on behalf of or in lieu of the campus beneficiary unit.

D. TRAVEL AND ENTERTAINMENT EXPENSES

The Foundation will fund actual travel and entertainment expenses that are incurred by LSUHSC employees assigned to the Foundation, as well as those incurred by LSUHSC beneficiaries seeking payment, unless such reimbursement is in conflict with donor intent or is otherwise prohibited by donor restrictions, the Uniform Affiliation Agreement, or other applicable policies and regulations. This policy also applies to other Affiliates who travel with the expectation that a portion or all of that travel will be funded by the Foundation. The Foundation will fund actual travel and

entertainment expenses that are incurred by Foundation employees per the Foundation employee handbook.

Business Purpose and Justification

Requests for travel reimbursement must include documentation of the dates traveled, purpose of travel, travel destinations, and receipts, except as noted in this policy. Requests for entertainment reimbursement must include a statement of the business purpose of the activity, the date and location of the function, the names and associations of the individuals in attendance, and receipts. For large-scale functions, such as receptions, an approximate number of persons attending, and a general description of the group attending will be sufficient. Alternative proofs of payment may be provided for travel and entertainment, but itemized receipts are required for all meals and entertainment including limited alcoholic beverages as outlined below.

Except under documented extenuating circumstances approved by the President and CEO, all air travel shall be by coach class or equivalent, and expenses for lodging and ground travel must be deemed reasonable and appropriate under the applicable circumstances.

Meals

Meals must be deemed reasonable and appropriate under the applicable circumstance. If receipts are not provided for meals, reimbursement to travelers will be limited to the standard University meal allowance rates, as published by the University Office of Accounting Services in PM-13. Meals are only allowed from appropriate Foundation funds for the portion of expenses after state reimbursements have been applied. In general, faculty only events are not allowed unless approved by the LSUHSC Chancellor and Foundation President & CEO. Events supporting students, residents, and interns for wellness and camaraderie are generally allowable.

Alcoholic beverages are *not* an allowable expense at events which include *only* LSUHSC and Foundation employees. Events supporting students, residents, and interns that provide alcohol are generally allowable. Any deviation from this policy requires written approval by the LSUHSC Chancellor and Foundation President & Chief Executive Officer. Should the expense be approved, Affiliates should remember that they are ambassadors of LSUHSC, the University and Foundation and are expected to drink responsibly.

Ground Transportation/Mileage

The Foundation follows mileage rates published by the IRS, which may exceed the rates published by the University Office of Accounting Services in PM-13.

Spouse/Family Expenses

Requests for the reimbursement of expenses on behalf of a family member or spouse of a LSUHSC employee, requires documentation as to the direct benefit provided to the LSUHSC by the expense, are subject to the approval requirements of the Uniform Affiliation Agreement, and are provided to the University payroll office for

determination of any additional reporting requirements. A spouse's expenses can be paid as part of bona fide business entertainment when determined by the applicable Approver (see "Authorization and Signatories") to be necessary and with a clear business purpose, rather than a personal or social purpose. If a spouse's expense is deemed personal in nature, it will not be reimbursed.

Travel Advances

The Foundation does not provide travel advances.

Moving and Relocation Expenses

Disbursement requests for moving and relocation expenses on behalf of LSUHSC employees are described in the Uniform Affiliation Agreement, PM-69 and, as issued and revised by the University, require the approval of the LSU President or designee(s). Relocation expenses are reported to the University Payroll Office for reporting and, in addition to direct expense support, IRS moving rates would be applicable as deemed appropriate.

E. BOARD OF REGENTS SUPPORT FUND MATCHED CHAIRS AND PROFESSORSHIPS

All Board of Regents matched chair and professorship holders must be approved by the LSUHSC Chancellor's Office. All such expenditures should adhere to all programmatic and policy guidelines set forth by the Louisiana Board of Regents. Expenditures also require approval by the current chair or professorship holder and are *not* allowed on vacant chair and professorship accounts.

Expendable balances for Board of Regents matched chairs and professorships are tracked by the Foundation. In addition, Board of Regents policy mandates that any balance carried forward from a spendable account into the next fiscal year cannot exceed 25 percent of the chair's or professorship's total market value.

F. FLOWERS AND SIMILAR GIFTS

The use of private funds (such as Foundation funds) to pay for flowers and similar gifts for public servants (including LSUHSC employees) on occasions such as surgery, illness, or the birth of a baby violates the Louisiana Code of Governmental Ethics ("Ethics Code"). The Ethics Code does allow the following exception: private funds can be used to send flowers to a public servant (including LSUHSC employee) upon the death of a member of that employee's immediate family only, provided that the cost of the flowers does not exceed \$100. Alternatively, a donation of \$100 or less may be made to a charitable organization in memory of the employee's immediate family member.

G. RETIREMENT AWARDS/GIFTS

Artwork, flowers, gift cards, and the like are considered "things of value" and cannot be given to or received by a current public servant (in this case, a LSUHSC employee)

in connection with the performance of his/her public duties prior to retirement from the relevant position.

A retirement gift may only be given following an employee's official separation from the LSUHSC. Retirement awards/gifts for those who have separated from the LSUHSC should directly reference, identify, or promote LSUHSC or one of its colleges or units. Examples include commemorative items, such as paperweights and pen sets inscribed with an LSUHSC logo, as well as framed art prints of an LSUHSC theme or facility. The gift item should be of a reasonable and an appropriate value, not to exceed \$500, in consideration of such factors as years of service provided to the LSUHSC by the employee, as well as the nature of the LSUHSC position held.

H. LSUHSC DISALLOWED EXPENSES

Certain limitations apply to expenditures of LSUHSC funds for travel and entertainment. For this reason, travel and entertainment by a LSUHSC employee for the benefit of the LSUHSC may potentially be funded in whole or in part by Foundation funds, subject to donor restrictions, where applicable. In such cases, any reimbursement requests are first made in accordance with applicable LSUHSC procedures. Beneficiaries are notified of any items disallowed by the LSUHSC because of restrictions on the use of state funds and may subsequently request reimbursement from the Foundation for those expenditures. Such requests must be submitted for payment to the Foundation with all appropriate supporting documentation related to the expense and either 1.) an Expense Report printout from the LSUHSC's system, showing the disallowed amount or 2.) an email from LSUHSC Accounting Services office, verifying the disallowance.

IV. CORPORATE CREDIT CARDS

The Foundation corporate credit card program is intended to provide convenience and efficiency for Foundation employees only. The corporate credit card program is one method of disbursing private funds and only approved for limited Foundation operational use by a limited number of authorized personnel. Policies governing this program can be referenced in the Foundation's Credit Card Policy and Employee Usage Agreement.

V. PURCHASING AND PROCUREMENT

The Foundation will apply purchasing procedures, set forth as follows, to ensure that goods and services are purchased under terms and conditions that are in the best interests of the Foundation and the LSUHSC and are deemed by the Foundation to be in accordance with prudent business practices. In addition to these procedures, LSUHSC, University and State purchasing policies apply to purchases made directly by the LSUHSC and subsequently reimbursed by funds from a Foundation beneficiary account.

All equipment and other tangible property purchased by or donated to the Foundation is considered property of the Foundation for its own use or use by the beneficiary unit, regardless of changes in personnel or the employment status of LSUHSC faculty

and staff. The Board of Directors, at its discretion, is able to donate, or otherwise transfer ownership of, any of the equipment or other property it owns. Pursuant to LSU policy, it is the general policy of the Board of Directors to immediately transfer to the LSUHSC any furnishings, equipment, and other applicable gifts-in-kind donated to or purchased by the Foundation for the LSUHSC's use.

Goods and services purchased using donor-restricted funds must be purchased in strict accordance with donor purpose and intent. Requests to purchase will be approved only if the item(s) purchased is for the benefit of the Foundation or the LSUHSC.

Written quotations must be obtained from three qualified vendors for purchases of items with a value exceeding \$30,000. The most advantageous bid to the Foundation should be accepted, taking into consideration such factors as price, terms and conditions, conformity to specifications, availability and level of support, and cooperation from the bid respondents. Reasons for acceptance of the bid should be well-documented, be attached to the written quotations, and accompany the payment request submitted for processing. Any exceptions must be approved by the Foundation's CFO or his/her designee.

For movable property not immediately transferred to the LSUHSC when donated or purchased, the Foundation will determine in a timely manner appropriate accounting treatment for capital items with a value in excess of \$5,000. If any of the Foundation's capital items are held by the LSUHSC, on an annual basis, the Foundation will document that inventory control records have been verified by LSUHSC beneficiary custodians, and corrective action will be taken as necessary when discrepancies are indicated in the process.

The Foundation will adhere to all regulations and reporting requirements established by the Internal Revenue Service regarding the receipt and subsequent sale, or disposal otherwise, of donated equipment and property. Account administrators who wish to dispose of Foundation equipment, other than equipment with little or no current value, should obtain written documentation of offers to purchase, which should then be submitted to the CFO, along with a written request specifying the recommendation of the beneficiary unit. The CFO will give due consideration to the recommendation of the department and will forward the request to the Board of Directors for consideration if the transaction value exceeds \$50,000. Equipment and property may be transferred among beneficiary units provided such a transfer is not in conflict with donor intent or otherwise prohibited by donor restrictions.

VI. OPERATING FUNDS BUDGET

An annual operating funds budget is prepared by the office of the CFO, on behalf of the President and CEO, and presented to the Foundation Board of Directors' Treasurer for review and approval in accordance with the Foundation's By-Laws. The Treasurer

may recommend further approval or review by Committees or the full Board of Directors at his/her discretion.

The President and CEO and CFO are authorized to spend funds in the approved annual operating funds budget. Recurring expenses fall within two major categories: operating expenses and continuing LSUHSC support. Within the operating expenses category, actual expenses in excess of budget for any line item or new operating or budgetary commitments should be offset by excess budget in other line items. Exceptions to this provision for operating expenses must be approved by the Board Treasurer. Likewise, for continuing LSUHSC support, the other major category, expenses in excess of budget must be reviewed by the Finance Committee and approved by either the Board of Directors or the Executive Committee.

The Foundation operating funds budget supports professional salary expenses for development professionals, centralized development efforts, legal, accounting and investment functions, communications, human resources, and other related development support activities; travel and entertainment expenses relating to donor events and donor cultivation; other professional services relating to management of our investment portfolios; audit costs; software, maintenance, and support costs; training; property management; and other general office expenses to support the operational needs of the Foundation in carrying out its mission.

The President and CEO, the CFO, or their designee(s), may approve operating expenses that they so deem to be in the best interests of the Foundation and in compliance with donor directives and the policies and procedures established by the Board of Directors.

VII. SUBMISSION TO BOARD OF SUPERVISORS

To ensure compliance with La. R.S. 17:3390(F), payments of over one thousand (\$1,000) dollars for any single transaction to, or on behalf of, or to reimburse the expense of a public employee of a public higher education institution or a public employee or officer of a management board of a public higher education institution shall be periodically reviewed and approved by the Board of Supervisors ("University Board") in accordance with applicable policies and procedures. The Foundation may pay or reimburse such transactions pending approval by the University Board, provided that any such payments or reimbursements subsequently disapproved by the University Board shall be reimbursed to the Foundation by the public employee or officer within ninety (90) days of such disapproval.

VIII. RESOURCES

A copy of this Comprehensive Disbursement Policy, as well as related forms and documents, can be accessed at www.lsuhealthfoundation.org.