

MEMORANDUM

DATE: January 10, 2005
TO: Council of Academic Deans
FROM: Mark P. Becker, Provost
SUBJECT: USC Educational Foundation Reimbursement Guidelines - Revised

The guidelines for reimbursement for meals, receptions and other purchases outlined in a November 29, 1999 memorandum from Jerry Odom have been reviewed in light of environmental changes over the past few years. In this memorandum I will restate those guidelines that remain unchanged, and describe revisions which take effect immediately. I have asked my staff and the staff of the USC Educational Foundation to follow them for approvals on reimbursements:

1. Meals: The dollar amount of requested reimbursement for alcohol consumption should not exceed \$25 per person per meal. (Note: This is an increase from the \$15 limit set in 1999.) The maximum amount requested for reimbursement for the entire meal (including alcohol) is \$75 per person. Please remember that the University's standards for reimbursement from state funds are found in University policy BUSF 7.05, and may be different from the Foundations standard.
2. Gifts: The maximum amount of reimbursable expense for a gift to an individual for purposes of special recognition is \$25. This includes retirement gifts and gifts to those not employed at the University. There are three categories of exceptions to this limitation:
 - a. no gift of any kind can be given to employees of state organizations which the University lobbies (State Ethics Law);
 - b. there is no limit on the amount of an award approved by the Board of Trustees as these are treated as taxable income;

- c. Plaques, trophies, and certificates (and framing thereof) purchased for the purpose of special recognition, have a reimbursable limit of \$100.
3. Flowers: The maximum reimbursable amount is \$75 (including tax and delivery);
4. Donations to Charitable Organizations: Normally gifts to charitable organizations (including contributions as memorials) are not reimbursable.
5. Receptions, Holiday Parties and/or Holiday Gifts:
 - a. Holiday parties and receptions are reimbursable at a maximum rate of \$15 per person (including all charges applicable to the event; e.g., room rental) for in-house affairs involving mostly USC faculty, staff and students. For receptions and parties aimed primarily at outside constituents such as alumni and prospective donors, the limit is \$25. (This is a change from the 1999 policy.)
 - b. Holiday gifts to employees are not reimbursable.
6. Dining Club Memberships: Employees who have received reimbursement on dining club memberships must be issued IRS form 1099. These memberships may be taxable, non-taxable or partially taxable to the individual employee depending on the use of the membership by the individual.

I appreciate your cooperation in this regard. Please distribute to your department chairs, program directors, and business managers.

C: President Andrew A. Sorensen
Susie VanHuss, Director – USC Foundations
Russell Meekins, CFO - USC Foundations
William T. Moore, Associate Provost