

The Kennesaw State University Foundation Expenditure Control Guidelines



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Contents

KSU Foundation Expenditure Control Guideline	3
1.0 General Guideline Regarding Expenditure of Foundation Funds	3
1.1 Required Documentation Needed When Requesting Payment Using Foundation Funds	4
1.2 Payroll-Related Payments	4
1.3 Foundation Direct Pay vs Reimbursement	4
2.0 Meals	5
2.1 Meals When Traveling	7
2.2 Entertainment	7
3.0 Employee Travel	8
3.1 Non-Employee Travel	8
3.2 Student Travel	8
4.0 Sponsorships	9
5.0 Professional Related Expenses	9
5.1 Professional Certification or Education Training Courses or Course Materials	9
5.2 Professional License or License Renewal	9
5.3 Professional Memberships/Dues	9
6.0 Employee Gatherings	10
6.1 Faculty/Staff Retreats	10
6.2 Faculty/Staff Training and Professional Development	10
6.3 Office Receptions and Employee Retirement	10
6.4 Holiday Parties/End of Year Celebrations/Other “Themed” Parties	10
7.0 Fringe Benefits to Employees	11
7.1 Club Memberships	11
7.2 Gifts to Employees	12
7.3 University Issued Apparel	12
8.0 Appliances and Other Equipment	12
9.0 Fellowships/Stipends – (Non employees/Students)	13
10.0 Prizes, Awards, Recognition - Employees	13
10.1 Prizes, Awards, Recognition - Students	13
10.2 Donor Appreciation, Recognition and Cultivation	13
10.3 Bereavement	14
11.0 Use of Contracts & Agreements	14
12.0 Special Events Requiring Foundation to sign Contract	14
13.0 Coffee/Water/Soda/Snacks	14
14.0 Lobbying Expenses	14
15.0 IRS 1099 Miscellaneous Income Form	15
Appendix A: Unallowable Expenditure List for Use of State Funds	16
Appendix B: Independent Contractor Agreement	18
Appendix C: IRS W-9 Form	21

KSU Foundation Expenditure Control Guideline

1.0 General Guideline Regarding Expenditure of Foundation Funds

The mission of the Kennesaw State University Foundation is to serve as an advocate for the University, and to receive, invest, account for, and allocate private gifts and contributions in support of Kennesaw State University. Private philanthropic support depends, in part, upon the confidence donors have in the Kennesaw State University Foundation's commitment to sound fiduciary management of funds, including expenses. As employees of the University System of Georgia, all KSU personnel are therefore subject to USG rules and regulations with respect to expense reimbursements and other financial support.

Accordingly, the following general principles apply in judging the appropriateness of expense reimbursements:

1. All expenses must be both reasonable in amount and have a **business purpose** that directly benefits and supports the mission of Kennesaw State University and the appropriate college, school, or department requesting payment or reimbursement.
2. **All Kennesaw State University employees should initially seek reimbursement from Kennesaw State University using state funding to the maximum extent permitted under USG Rules and Regulations.** Thereafter, an application should be submitted to the Kennesaw State University Foundation through WebInvoicing for reimbursement for any expenses not covered by the state.
3. Anyone requesting reimbursement from the Kennesaw State University Foundation should consider that reimbursable funds come from donor-provided dollars and all expense requests are subject to audit by the USG and open to public scrutiny and open records requests. All expense requests must be properly documented, reasonable in scope, related to University business and **must be in compliance with the donor's original intent for use of the funds.**
4. While the KSU Foundation is committed to sound fiduciary management of the funds held by the Foundation, responsibility for the distribution of funds is the ultimate responsibility of the "owner" of the accounts and final approver of any reimbursement requests.
5. Any expenditure viewed as having a personal or fringe benefit to an individual, and therefore not benefiting the University, are not allowable expenses (unless specifically approved by the President of Kennesaw State University in accordance with Section 12.5 Cooperative Organizations of the Board of Regents Policy Manual, Official Policies of the University System of Georgia.)
6. Requests for reimbursements must be approved by a University employee senior in job position to the employee making the request (therefore considered the "owner" of the account). Approvals for expenditures from the President's Office shall be approved by the Chief Business Officer (CBO).

Whenever possible, the unit/department should seek to obtain direct billing/invoicing from vendors.

1.1 Required Documentation Needed When Requesting Payment Using Foundation Funds

Before any qualifying expenditure is submitted to the KSU Foundation for processing, the following documentation should be compiled and attached:

- 1. Actual scanned copies of both the detailed receipt and the transactional total, including tip, or a copy of a detailed vendor invoice (sales tax should be added).**
2. An agenda, itinerary, brochure, or announcement showing the business purpose and details of the activity. A copy of an agreement or contract between the University and an outside vendor should also be attached for any goods or services rendered.
3. A list of all attendees and participants for all activities with the attendees' relationship to KSU (Faculty, Staff, Student, Donor, Board Member, Consultant, etc...).
4. A detailed explanation in WebInvoicing specifying how this expenditure benefits the University, college or department directly, and how it relates to the donor's original intent (if applicable).
5. If the vendor is not already established in WebInvoicing, a completed and signed IRS W-9 (Appendix C) form must be completed and returned to the Foundation. An IRS W-9 form is not needed for reimbursement request for KSU employees for expenses incurred; their name and current campus mail drop is sufficient.

1.2 Payroll-Related Payments

The KSU Foundation cannot make direct compensation payments to any KSU employee (including student workers) or members of their immediate family for salaries, stipends, or gifts for services without the approval of the KSU president, or in the case of the president or the president's immediate family, the BOR Chancellor. All such payments should be processed through KSU's Human Resources and will be reimbursed to KSU from Foundation funds.

1.3 Foundation Direct Pay vs Reimbursement

While Foundation funds allow for additional flexibility, all expenses allowable under State rules and regulations are processed through KSU in order to avoid the appearance of circumventing KSU expense controls. See Appendix A for examples of unallowable expenses for state funds. This list is not all-inclusive. If you have questions regarding allowable expenses, please email the Kennesaw State University compliance department at compliance@kennesaw.edu for clarification.

2.0 Meals

KSU Foundation funds may be used for payment to vendors or individuals for expenses related to meals and entertainment incurred while conducting official University business. All such expenditures paid from the Foundation must be in accordance with the governing fund agreement (donor intent) for that fund. The following information must be documented in WebInvoicing:

- What Foundation account is to be used?
- Where and when did the event occur?
- What was the business related purpose of the event?
- How did the event benefit the University?
- Who was in attendance and what is their relationship to KSU? (Student, Donor, Faculty/Staff, Board Member, trustee, Corporate partner, vendor)
- What role did those in attendance have in the success of the event?

Each respective Vice President, Dean, or Director is responsible for determining whether each expense is appropriate, moderate and in support of furthering institutional goals or programs before submission.

In most cases, all arrangements for meals or catering should be made using reasonably acceptable practices in accordance with the State of Georgia's per-diem guidelines. **All on-campus catered events must adhere to Kennesaw State University Catering Policy. All request for reimbursements using outside vendors must follow university policy and should include a copy of the exemption form when necessary.** <http://events.kennesaw.edu/event-resources/catering.php>. All attendees should be directly involved in the business purpose related to the meal and should not include spouses (unless their attendance has a bona fide business purpose that directly benefits the University).

In the case of potential employee search committee sponsored meals, additional guests may be included. Reimbursements for all in-town meals involving non-University personnel are allowed so long as there is a documented business purpose benefitting the college or department. Understanding that spouses often help develop a significant relationship with donors, expenses incurred on behalf of spouses/partners should be approved by your supervisor prior to occurrence.

As a general guideline associated with hosting meals, the cost of the meal can be determined by the type of event you are hosting and the business purpose related to the meal. **Exceeding the allowable guideline amounts may be deemed permissible so long as it is appropriately documented and appropriate for the type of event held.**

The following are instances where meals and entertainment expenses are allowable:

Attendants:	Business Type:	Restrictions:	Allowable Expense:	Alcohol Allowed:
External Guest & Employees	Donor & Gift Relations/Cultivation of Significant Relationships	No more than 3 University Employees	\$50.00/person (excluding gratuities)	Yes
External Guest & Employees	Conducting Business or Attending Seminars, Conferences, or Business Meetings		\$30.00/person (excluding gratuities)	Yes
Employees (Group)	Trainings, Departmental Meetings, Retirement Parties, Etc.		\$20.00/person (excluding gratuities)	No*
Employees (Individual)	Travel/Training		University Reimbursement through Concur	No*
Holiday Parties			See Section 6.4	

*Exceptions to the alcohol policy may be allowed, but require prior approval.

The purchase of alcoholic beverages is allowed only while hosting meals that include external guest(s) while conducting official KSU business. Any other alcohol related expenditure is not an allowable expense. Any allowable alcohol purchase should be justifiable and kept to a reasonable amount. Any alcohol related purchase viewed as excessive in cost may be denied by the KSU Foundation at the discretion of the Chief Executive Officer.

2.1 Meals When Traveling

All meals incurred by University employees during University approved travel must first be processed through the University (Concur) for reimbursement from state funds. Any remaining meal expenses will be considered for reimbursement following the KSU Foundation's guidelines as listed above.

2.2 Entertainment

All entertainment or events should be reasonable and appropriate in cost and should only include those necessary to achieve the business purpose. Expenses that are excessive in frequency, number of participants, and/or cost, may not be approved by the Foundation at the discretion of the Chief Executive Officer.

KSU Foundation funds may not be used to purchase tickets and/or suites to athletic events, concerts, or student performances for personal use. KSU Foundation funds may be disbursed for tickets and/or suites purchased for use for University related business, donor and gift relations, and cultivation of significant relationships. These requests must first be submitted to the Office of Development for approval.

3.0 Employee Travel

Employee travel expenses for mileage, lodging and meal per-diems must adhere to KSU and USG travel policies and procedures and be processed through the University's travel department for reimbursement. Reimbursement for travel expenses related to meals fall under Section 2.0 Meals and Entertainment. Please refer to the Kennesaw State University Travel Policy for information about reimbursable travel expenses.

Travel cash advances are not allowed by KSU Foundation.

3.1 Non-Employee Travel

Expenses associated with travel for non-KSU employees providing professional services (contractors, consultants, honorariums, etc...) or other KSU related business are reimbursable directly to the individual. These third party payments will require a service contract or agreement listing the specific services, amounts, and any allowable contingencies. For questions regarding the contract review process, please visit <http://legal.kennesaw.edu/contracts.php> (Appendix B). These contracts/agreements must be reviewed and approved by KSU's Legal Affairs Department, approved by the appropriate KSU administrator, and submitted to the KSU Foundation prior to execution. A copy of an IRS W-9 (Appendix C) must also be submitted prior to any services rendered.

3.2 Student Travel

Expenses associated with travel for Kennesaw State University students traveling on behalf of or representing the University are governed by University System of Georgia Guidelines and may be reimbursed directly by the KSU Foundation. Reimbursements to students for any travel expenses require documentation outlining the business purpose of their travel, an email approval from the appropriate administrator of the college/department, and a signed copy of the Student Waiver Form from the Office of Student Affairs releasing the University and KSU Foundation from any liability or wrongdoing. Each student must work in coordination with the business manager of the department funding the travel to request his or her own reimbursement and submit a completed IRS W-9 (Appendix C) form before any reimbursement is disbursed.

4.0 Sponsorships

KSU colleges and schools may use KSU Foundation funds to participate in sponsorships in external, community-oriented, charitable, or business-related events. Organizations in an established partnership or cooperative affiliation with KSU may also qualify for sponsorships provided that the relationship benefits the college/school or enhances KSU's mission or image. Examples of approved sponsorships include, but are not limited to, the Devereux Advanced Behavioral Health of Georgia's 2017 Hope Event (COTA), the University System of Georgia Foundation Gala, and the Women in Electronics.

5.0 Professional Related Expenses

5.1 Professional Certification or Education Training Courses or Course Materials

Expenses related to acquiring and maintaining Professional Certifications or Education Training are reimbursable expenses provided that the certification/training is directly related to the day-to-day duties of the employee or beneficial to the department/college. Course materials related to any certification/training are also allowable expenses. Documentation for reimbursement must include original receipts/registrations and direct supervisory approval.

5.2 Professional License or License Renewal

Expenses related to acquiring and maintaining Professional Licenses or License Renewals are reimbursable expenses provided that the license/renewal is directly related to the day-to-day duties of the employee or beneficial to the department/college. Documentation for reimbursement must include original receipts/renewal applications and direct supervisory approval.

5.3 Professional Memberships/Dues

Expenses related to Professional Memberships and Dues are reimbursable expenses provided that membership in a club, organization, or society directly benefits Kennesaw State University through the employee or departments' involvement. Memberships/dues deemed to be purely social in nature or considered a "fringe" benefit (Section 7.0). Examples of allowable memberships include, but are not limited to, the Association of International Certified Public Accountants (AICPA), Cobb County Chamber of Commerce, and NASPA, - Student Affairs Administrators in Higher Education.

6.0 Employee Gatherings

6.1 Faculty/Staff Retreats

Any expenses related to Faculty/Staff Retreats outside of those covered through Kennesaw State University will be considered on a case-by-case basis and should be submitted for approval prior to the event. Travel expenses associated with faculty/staff retreats are considered “employee travel” and fall under the guidelines listed in Section 2.0 and Section 3.0 above for meals, mileage, and lodging.

6.2 Faculty/Staff Training and Professional Development

Expenses related to Faculty/Staff Training and Professional Development are considered reimbursable expenses under the guidelines listed in section 5.1 Professional Certification or Education Training Courses or Course Materials. Any other expenses related to Faculty/Staff Training will be evaluated on a case-by-case basis and should be submitted for approval prior to the training. Employee events deemed social in nature, such as bowling, laser tag, etc..., are not considered Professional Development and therefore, are not allowable reimbursable expenses.

6.3 Office Receptions and Employee Retirement

Office Receptions and Employee Retirement Parties are not allowable reimbursable expenses unless the employee being honored has been employed by Kennesaw State University for over 10 years. Eligible retiree parties should be discreet in nature and of reasonable expense and must be funded through a departmental account. No more than \$20.00/person (excluding gratuities) should be allocated for retirement parties. Any expenditures related to tokens of appreciation for “years served” other than plaques are not allowable reimbursable expenses. Expenses related to honorary plaques must be valued less than \$100. Exceptions to this policy will be considered on a case-by-case basis.

6.4 Holiday Parties/End of Year Celebrations/Other “Themed” Parties

Holiday Parties, End of Year Celebrations or other “Themed” Parties planned and held solely for faculty, staff or student employees only are NOT considered allowable reimbursable or direct pay expenses and should be privately funded. Holiday Parties specifically held to honor donors, community dignitaries, or external V.I.P.s, are allowable as reimbursable or direct pay expenses. Party related expenses should be reasonable in nature and expectation and should not exceed \$50/guest, including venue, food, and alcohol related expenses. Any expenditures for supplies, decorations, or themed paraphernalia are NOT considered a reimbursable expense. Please adhere to Kennesaw State University Policy regarding catering and event policy.

<http://events.kennesaw.edu/event-resources/catering.php>.

7.0 Fringe Benefits to Employees

The Foundation's expenditure guideline allows expenses that have a supportable business purpose and do not result in the personal benefit to any individual including employees of Kennesaw State University. Expenditures that may be viewed as having a personal benefit to an individual, and therefore not benefiting the University directly, are not considered allowable expenses. If it is determined that a KSU employee has derived personal benefit from an expenditure of the Foundation, that information will be reported to the Kennesaw State University's Human Resources and may be included in the employee's taxable income reported on their W-2. The Foundation follows the guidelines explained in Internal Revenue Service Publication 15-B (as revised annually). For policies related to non-employees, please see the section related to reporting income on IRS Form 1099 MISC Income.

Given the time needed to compile this information from Foundation expenditures, the period from December 1st to November 31st is used for taxable fringe benefit reporting for each calendar year ending December 31st. Expenditures commonly considered a benefit to an individual include the following:

- Non-business-related spousal travel expenses
- Personal portion of social club memberships
- Moving expenses not deductible under the IRS guidelines (NOTE: KSU Relocation and Moving Expense policy should be followed and the Foundation can only fund certain exceptions, but those exceptions will only be considered for payment once KSU has processed and signed off on the request request.)
- Personal/Unauthorized use of Foundation property
- Athletic tickets for spouse/family members (not related to business)
- Entertainment expenses (dinners, theatre, etc...) not utilized for business purposes

Any expenses paid on behalf of family members or friends qualify as a fringe benefit to the employee and will be reported to KSU's Human Resources Department. Human Resources will decide whether these expenses are considered taxable fringe benefits and determine the status for reporting to the IRS. The KSU Foundation complies with KSU policy and reports all potential fringe benefit expenses to Human Resources each year by November 30th. In some cases, the amount considered taxable to the employee must be estimated based on a percentage of use for business and personal purposes, such as car allowances and social memberships. Please contact the KSU Foundation Accounting Office for questions regarding any potential fringe benefits.

7.1 Club Memberships

Social Club Memberships must be negotiated at the University level as part of an employee's total compensation and will no longer be eligible for direct reimbursement to any individual. In the circumstance of a membership being used directly for KSU related business, expenses may be submitted for reimbursement, excluding prorated dues or membership fees. In the occasion that a large, business related expense is incurred on behalf of KSU, the KSU Foundation will pay the club directly for the related expense so long as the proper documentation is submitted.

7.2 Gifts to Employees

The KSU Foundation does not permit the purchase of gifts, flowers or other gratuities to University staff, faculty, and student employees. The IRS considers gift cards and gift certificates equivalent to cash, and must be reported as gross income to the recipient (this is true for non-employees as well).

Items of de minimis value (e.g. \$25 per IRS) may be given in order to encourage attendance at special events or meetings; either the gift should be given to all who attend or the recipient should be randomly chosen, such as a door prize (NOTE: expensive door prizes are considered taxable income and are reported to the IRS for employees and non-employees).

7.3 University Issued Apparel

All University logoed or branded apparel may be purchased with Foundation funds and issued to the appropriate departmental/divisional staff so long that it appropriate and required for employee use. Any apparel purchase costing \$50 or less per employee/per calendar year will be considered a *de minimis* fringe benefit and will be non-taxable to the employee. In the instance where the costs of the apparel exceeds this *de minimis* value, Payroll Services should be consulted prior to the purchase for a determination on the taxable status of the apparel.

This does not include clothing that is required to be worn for the employee's safety and protection while on the job (hard hats, gloves, etc.) and clothing that is required to be worn as a condition of employment and is considered unsuitable for ordinary wear (Chef Coats, Police Uniforms, Health Care Professional attire, etc.).

8.0 Appliances and Other Equipment

KSU Foundation funds may be used to purchase certain appliances to be used for employees, visitors and/or students. Generally, these appliances (refrigerators, coffee makers, and microwaves) should service a common area and be accessible to multiple people unless utilized specifically for laboratory or research purposes. Appliances purchased with KSU Foundation funds must be gifted to the University and will be considered property of the University in accordance with the rules and regulations of the University System of Georgia (USG) and the Department of Administrative Services (DOAS). In the occasion that appliances are purchased with personal funds, receipt of transfer to the University is required prior to submission for reimbursement. Assets meeting certain criteria may be tagged and tracked by the University.

Other equipment, including all computers, computer related hardware and software are considered assets of the University. Therefore, the purchase of these assets should be coordinated with the Office of Procurement and Contracting and must follow KSU policies and procedures. KSU Foundation funds may be used to reimburse the University for these expenditures.

9.0 Fellowships/Stipends – (Non employees/Students)

Fellowship/Stipends are considered an allowable expense for foundation funds. If a service component exists as part of receiving the fellowship/stipend, then payment can be processed through KSU and reimbursed from Foundation. If no service component exists, then the expense should be processed through the Foundation using WebInvoicing.

Any requests for payments should have prior approval from the Dean of the college.

It is the responsibility of the submitter to verify that there is not an employee relationship with KSU requiring payment to be processed through Payroll

10.0 Prizes, Awards, Recognition - Employees

KSU Foundation sponsored awards, prizes or tokens of recognition for employees are allowable expenditures if coordinated closely with a sponsoring department/school and approved by the appropriate administrator or the University President. All prize/award amounts must be processed through KSU's Payroll.

10.1 Prizes, Awards, Recognition - Students

KSU Foundation sponsored awards, prizes or tokens of recognition for students (non-student employees) are allowable expenditures if coordinated closely with a sponsoring department/school and approved by the appropriate administrator or the University President. All prize/award amounts exceeding \$100 in value may be submitted for reimbursement/direct pay to the Foundation and must be accompanied with an IRS Form W-9 (Appendix C) for the student.

10.2 Donor Appreciation, Recognition and Cultivation

Gifts to Donors – Max \$100 without exception approval – Gifts to donor or potential donors are allowable so long as they are personal in nature and less than \$100. Gift cards and cash are not considered personal and are therefore unallowable. While certain cases may call for gifts to exceed \$100, this should have prior approval from the Chief Executive Officer (CEO).

Employees or their families may NOT receive gifts as donors.

Tickets to Events – Tickets to KSU events are allowable. Tickets to external events should follow the same rules as Gifts to Donors.

Donor Plaques – Donor plaques are allowable.

Flowers – Flowers are permitted.

Holiday Cards – Holiday cards are permitted.

Meals – Meals fall under Section 2.0.

10.3 Bereavement

Flowers or donations made in memorium may be reimbursable expenses when sent in honor of students, faculty or staff. All other honorariums should be privately funded. All donor bereavement expenses should follow Section 10.2. Exceptions to this policy may be considered on a case-by-case basis.

11.0 Use of Contracts & Agreements

All service related payments and non-employee payments for outside vendors performing professional services (contractors, consultants, honorariums, etc...) are considered third party payments and therefore require a service contract or signed agreement. All contracts/agreements must follow Kennesaw State University procedure and policy protocol. For questions regarding contracts, please go to <http://fiscalservices.kennesaw.edu/contracts/index.php>. A copy of an IRS W-9 must also be submitted to the Foundation for all vendors prior to any services rendered.

Payments to third party vendors may not be paid in advance of service(s) performed unless the contract stipulates the remittance of a deposit. Final payment cannot be disbursed until all service has been rendered, inspected and signed-off on as completed and payment has been approved by the KSU Authorized Approver.

12.0 Special Events Requiring Foundation to sign Contract

Contracts for hosting certain events are not acceptable under University policies and therefore cannot be signed by KSU (contracts for alcohol). The Foundation will sign these contracts so long as there is prior approval from the appropriate administrator (CBO/Committee for events). Once approved and signed, the Foundation assumes no responsibility for the logistics of the event. In certain cases, the Foundation will pass along additional costs incurred, such as legal fees and insurance.

13.0 Coffee/Water/Soda/Snacks

General expenses related to purchases of coffee, water, soda, and snacks are permissible provided that their use is restricted for donors, guests, or meetings scheduled for legitimate business purposes. Personal consumption for everyday employee use is strictly prohibited.

14.0 Lobbying Expenses

Lobbying expenses related to the promotion, advancement or advocacy of Kennesaw State University are considered allowable expenses and are eligible for use of Foundation Funds. Lobby expenses are defined as any expense incurred to influence or persuade specific legislation for the benefit of KSU. Under no situation is a lobbying expense to be related to or used to promote, condone or support a potential candidate for political office. All lobbying expenses must be approved and sanctioned by the Office of Government Relations.

15.0 IRS 1099 Miscellaneous Income Form

The Kennesaw State University Foundation follows the Internal Revenue Service's guidelines for issuance of 1099 Miscellaneous (MISC) Income Forms to individuals/corporations who receive payment for rents, contract services, honoraria, legal fees, consulting fees, prizes or awards, reimbursable expenses for which original receipts are not provided, and other income payments during the course of a calendar year. For definitive examples of reportable income and the minimums that apply each year, consult the IRS's website at <https://www.irs.gov/forms-pubs/about-form-1099misc>. Social security numbers and taxpayer identification numbers are required for any check requests submitted for payment of these type expenditures. For this reason, an IRS W-9 form is required for all vendors, companies and individuals who are non-KSU employees.

The KSU Foundation's generates a report after the end of each calendar year that identifies vendor IDs coded for 1099 MISC Income reporting. The 1099 MISC Income coding is taken from the vendor's W-9 form submitted. The Foundation also includes any payments made during the calendar year that are considered taxable income reported on a 1099 MISC Income Form and were not included on the system's report. Payments not included in the system report are usually reimbursement to an individual for previous payment to a business or person for a service. This type of reimbursement is considered a third party payment. Most vendors will bill directly either before or after an event. If a vendor will not bill directly and a third party payment is the only means of conducting University business, then the Foundation will require an IRS W-9 form completed for this vendor. The Foundation has established this guideline in order to comply with IRS rules and regulations regarding miscellaneous income reporting.

Form 1099-MISC Income forms are completed and mailed to recipients by January 31 for the previous calendar year. The Foundation efiles this information to the Internal Revenue Service (IRS) by March 31st.

Appendix A: Unallowable Expenditure List for Use of State Funds

- Alcohol – unless part of an instructional program, i.e., culinary program
- Chamber of Commerce Membership Dues
 - There may be some events hosted by chambers that are allowable; check with Compliance
- Gifts/awards for employees
 - Paper Certificates acknowledging service, etc. are allowable
 - Monetary awards for employee is not allowable, but for reporting purposes would be paid through the University and reimbursed by the Foundation.
- Gifts/giveaways in excess of minimum value (\$100) to students or guest speakers
- Event tickets, such as football tickets, to be given away to employees or the general public
 - May be purchased from student activity funds if they are to be given to student groups – check with Compliance
- Donations – not allowed, for any kind, from any fund group
- Sponsorships – Only allowable if the value of advertising is equivalent or in excess of the amount paid for sponsorship – check with Compliance
- Gift Cards
 - Exception for research participants
 - Possible for student giveaways if small dollar amount and signatures obtained for each recipient
- Greeting Cards
 - Doesn't matter what the circumstances, this is considered a personal item
 -
- Personal Use Items which are stored in an individual office.
 - Coffee machines
 - Microwaves
 - Refrigerators
 - Table radios, briefcases, and similar items used for personal use.
 - Exceptions include
 - Items purchased for common area such as a kitchen or breakroom are allowable purchases.
- Decorations including:
 - Holiday Decorations
 - Cut flowers/plants
 - Wall Art for individual office.
- Entertainment- Personal amusement, social activities, or entertainment (outside of activities directly related to University functions or purposes)
- Non-business related magazine and/or newspaper subscriptions
- Donor Appreciation - Watches, groundbreaking shovels, and other items granted as a donation or gratuity in favor of a person, corporation, or association for individual ownership
- Membership dues for personal, social, civic, community, warehouse, or travel clubs/organizations for the benefit of individuals.
 - Possible exceptions may include:
 - Transferable individual memberships, which benefit the University.

- Memberships that are required as a condition of employment
- Memberships that are required for accreditation of a department or program
- Membership fee plus a registration fee to an organization's conference if they are less than the nonmember organization fee
- Memberships that result in a discount on beneficial publications (whether it be "printed" or online) that is greater than the cost of the membership
- Parking - University parking permits for employees or students
- Citations - Traffic citations for either personal or University vehicles
- Clothing, such as tuxedos, used for commencement services or other personal use
- Personal moving expenses
- Gifts - Retirement gifts or gifts of any nature, gift cards, etc.
- Personal articles that have been lost or stolen
- University-sponsored event expenses incurred that do not clearly support the University mission such as retirement parties or employee going away parties, including associated retirement gifts or gifts of thanks.

Appendix B: Independent Contractor Agreement



This agreement (“Agreement”) is entered into between _____ (“Contractor”), and Board of Regents of the University System of Georgia by and on behalf of Kennesaw State University (“KSU”) for the services specified below.

1. **Services.** Contractor agrees to perform the following services (“Services”):

[Enter a detailed description of the services to be provided, deliverables, schedule of work, deadline for completion, or term of contract. Attach contractor’s proposals or quotes if applicable].

The services provided by Contractor will begin on _____, and be completed no later than _____.

2. **Compensation.** In exchange for Contractor’s performance of the Services, KSU agrees to pay Contractor a total fee of \$_____. Contractor’s expenses will be paid by Contractor. Payment will be due within two weeks following Contractor’s satisfactory completion of the Services and KSU’s receipt of deliverables.
3. **Termination.** Either party may terminate this Agreement immediately by providing the other party a written notice of termination. Upon termination, Contractor will be paid only for the work actually completed.
4. **Licenses and Certifications:** Contractor certifies that Contractor has all the certifications and licenses required, if any, to perform the Services outlined in this Agreement.
5. **Property Rights.** KSU shall at all times, retain ownership in and the rights to any creative works, transcriptions, research data, reports, designs, recordings, graphical representations, or works of similar nature to be developed and delivered under this Agreement. Contractor agrees that the Works are “works for hire” and assigns all of the Contractor’s right, title, and interest to KSU.
6. **Confidentiality.** Contractor agrees to hold all KSU data and information in strictest confidence and shall refrain from using or disclosing any data and information received from or on behalf of KSU except as permitted or required by the Contract, as required by law, or as otherwise authorized in writing by KSU. Contractor agrees to protect KSU data and

information received from or on behalf of KSU according to commercially acceptable standards and no less rigorously than it protects its own confidential information. Upon termination, cancellation, expiration or other conclusion of the Agreement, Contractor agrees to return to KSU or, if return is not feasible, destroy all data and information in whatever form or medium that Contractor received from or created on behalf of KSU. This provision shall also apply to all data and information that is in the possession of subcontractors or agents of Contractor. In such case, Contractor shall retain no copies of such information, including any compilations derived from and allowing identification of KSU data and information. Contractor shall complete such return or destruction as promptly as possible, but not less than thirty (30) days after the effective date of the conclusion of this Agreement.

- 7. Privacy Acts.** If the Contractor has access to student's education records, Contractor shall limit its employees' access to the records to those persons for whom access is essential to the performance of this Agreement. At all times during this contract, Contractor shall comply with the terms of Family Educational Rights and Privacy Act of 1974, Health Insurance Portability and Accountability Act, and Gramm-Leach-Bliley Act in all respects.
- 8. Indemnification and Hold Harmless.** Contractor agrees to indemnify and hold harmless Board of Regents of the University System of Georgia and Kennesaw State University and their respective directors/trustees, officers, employees, and agents for every expense, liability, or payment by reason of any damage, or injury (including death) to persons or property suffered or claimed to have been suffered through any act or omission of Contractor or its agents or anyone directly or indirectly employed by Contractor arising in any way from the work called for by this Agreement.
- 9. Independent Contractor.** Contractor understands that it is an independent contractor and is not an employee, agent, partner, or joint venturer of or with KSU. Contractor shall not be entitled to participate in any vacation, medical or other fringe benefit or retirement program of KSU and shall not make claim of entitlement to any such employee program or benefit. Contractor shall be solely responsible for the payment of withholding taxes, FICA, State of Georgia, and other such tax deductions on any payments or earnings made, and KSU shall withhold none such payroll tax deduction for any payments due. Contractor agrees to indemnify and reimburse KSU from any claim or assessment by any taxing authority arising from this paragraph. Contractor further agrees to keep confidential any and all information about KSU and its current or former employees, that is not currently in the public domain, which may be disclosed to or learned in carrying out duties and activities under this Agreement.
- 10. Non-Performance and Breach of Contract.** If Contractor fails to perform its obligations under this Agreement, KSU will provide a notice to Contractor requesting that the breach or failure be remedied within a period of time specified in the notice. If the breach or failure is not remedied as specified in the notice, this will result in a material breach of the Agreement, and KSU may immediately terminate the Agreement, and Contractor must immediately refund to KSU any deposits or payments on a pro-rated basis for the uncompleted portion of the Services.

11. Governing Law and Jurisdiction. This Agreement shall be governed by the laws of the State of Georgia. The parties agree to the exclusive jurisdiction of the courts of Cobb County, Georgia, or the United States District Court for the Northern District of Georgia in Atlanta, Georgia in all questions and controversies arising out of this Agreement.

12. Mediation. Prior to the commencement of civil action by either party with respect to any disputes arising out of this Agreement, such party may submit the matter for mediation by providing the other party with a written demand for mediation setting forth the subject of the dispute. The parties will cooperate with each other in selecting a mediator and in scheduling the mediation proceedings. Venue for mediation shall be Cobb County, Georgia. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its cost.

13. Entire Agreement, Modification. This Agreement, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter. Any modification to this Agreement must be made in writing and signed by all parties.

The parties hereto have caused their duly authorized representatives to execute this Agreement:

**Board of Regents of the University
System of Georgia by and on behalf of
Kennesaw State University:**

Contractor:

Signature:

Name:

Title:

Date:

Address:

Signature:

Name:

Title:

Date:

Address:

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.