

COLORADO STATE UNIVERSITY-PUEBLO

AUTHORIZED BUSINESS FUNCTION

I. INTRODUCTION

An Authorized Business Function is a meeting, training, or other function that is hosted by an organizational unit, attended by guests and/or associates or employees, and held for *official university business* and limited to reasonable and actual costs. The attendance of State employees at these functions shall be kept to a minimum and shall include only those individuals directly related to the purpose of the function. Expenditures shall be kept to a minimum as they have the potential of being perceived to be for personal benefit and an abuse of public funds. An Authorized Business Function shall be hosted by the chief executive officer of a State Agency or by a representative of the State Agency that has been delegated authority by the chief executive officer to host such functions. All Authorized Business Functions must comply with Propriety of Expenditures below.

This procedural statement sets forth university requirements for use of the Authorized Business Function form when *food/beverage* is purchased for an business function

II. PROCEDURES

A. Propriety of Expenditures

Per University Fiscal Rule 2.1.1 “all expenditures by Institutions and System office shall be made for:

- 1) Official state business only, and shall be
- 2) Reasonable and necessary under the circumstances.

Therefore, the following Seven Tests of Propriety should be considered with Authorized Business Functions in determining whether the University expenditures will be considered proper.

1. The expenditures are in the best interest of the University and for official University business only.
2. The expenditures comply with all applicable federal, state, and University laws, regulations, policies, and procedures.
3. The expenditures do not appear to, nor do they actually, provide any personal benefit to any employee without there being a valid business benefit to the University.
4. The expenditures are within approved budgets as determined by the appointed Fund/Department Manager.
5. The expenditures are necessary to the accomplishment of University business, meaning that, without the expenditures, programmatic objectives would be difficult or otherwise more costly to achieve, or that the impact, level or quality of the achievement of these objectives would be reduced.

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6. The expenditures are reasonable, meaning the quality and quantity of the goods or services were sufficient to meet, but not exceed, the identified need.
7. The appropriate level of management has approved the expenditures.

Examples of Allowable and Non-Allowable expenses are attached to the end of this procedure.

B. Completing the Authorized Business Function Form (ABF) form

The Authorized Business Function form must be signed by both the Authorized Business Function Approver and any other additional signatures as required prior to the event. The completed Authorized Business Function form must include the following information:

- How does the expense benefit the University?
- Description/purpose of function
- Date of function
- Estimated total cost of function (food, awards, decorations, plus any other event costs, e.g., facilities/rental)
- Estimated total cost per person
- Location of function
- Organizational unit hosting the function
- Individual responsible for the function
- List of attendees and their relationship with the University (or, if there are more than 10 attendees, a description of attendees and their relationship with the University).

The Authorized Business Function form is available on the Business Financial Services web site at <http://www.csupueblo.edu/BFS/Forms/Pages/default.aspx>

C. Authorized Business Functions:

1. Approvals:

- a. Authorized Business functions estimated to cost less than two hundred fifty dollars must be approved by the Authorized Business Function Approver prior to their occurrence whether it is held on campus or off-campus.
- b. Authorized Business Functions estimated to exceed two hundred fifty dollars must be approved by the Authorized Business Function Approver and either the President or Vice Presidents' of each reporting area prior to their occurrence whether it is held on campus or off-campus.

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D. Paying for the Authorized Business Function

There are several methods available:

1. Procurement Card:

The signed completed Authorized Business Function form must be retained in the initiating department's files for audit purposes when using the PCARD. It must also be attached to the edoc on Quali when reallocating transaction expense.

2. Purchase Order:

The signed completed Authorized Business Function form must be attached to the Requisition before the Purchase Order can be processed.

3. Interdepartmental Voucher (IDV)

This method of payment is done for Authorized Business Functions held on campus and catered by the University Food Services

If more than one disbursement will be made for a single Authorized Business Function, the organizational department should retain the original Authorized Business Function form and distribute copies of the form, as required.

Examples of Allowable and Non-Allowable Expenses for Authorized Business Functions

A. Examples of allowable Business Functions and costs include (but are not limited to):

1. Working Meetings (Use Object Code 6649)
2. Professional Development (Use Object Code 6649)
 - Staff Development or Committee Meetings (must be kept at a minimum).
 - Educational Outreach (including students)
3. Student/Guest Hospitality (Use Object Code 6649)
 - Meals, receptions or events where University personnel welcome non-employee guests or visitors for the benefit of the institution.
 - Admission charges to University or non-University events for University hosts of official business guests
4. Employee Recruiting (Use Object Code 6627)
5. Student Recruiting (Use Object Code 6626)
6. Promotion and Advancement (Use Object Code 6649)

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7. Recognition Events (Use Object Code 6649)

- Commencement ceremonies and associated receptions and events.
- Employee recognition functions, including meals, receptions, and “team building” events to promote employee morale and productivity
- Homecoming activated and associated receptions and events.
- Events to generate alumni, legislative, donor, business and/or community support for University programs.
- Professional association or civic events, where employee membership or University representation benefits the University.
- Employee retirement receptions (limited to \$400).
- Formal ceremonies acknowledging employee or non-employee acts or achievements that benefited the institution.

B. Examples of unallowable Business Function and costs include (but are not limited to):

1. Gifts, donations, or charitable contributions.
2. Private, social, athletic, or country club memberships and dues (not professional or civic organizations), unless such membership is a documented condition of employment.
3. Events recognizing personal occasions not directly benefiting the University, including birthdays, weddings, engagements, illnesses, births.
4. Events or a political or religious nature, including political meetings or lobbying activity, or religious holiday celebrations or activities including Christmas parties.
5. Events or related expenses that do not primarily benefit the University such as social gathering for a group of employees.
6. Any expenses for alcoholic beverages or entertainment on federally sponsored programs.
7. Alcoholic beverages purchased for official functions from unapproved funding sources.